

JPRS-NEA-84-003

6 January 1984

## Near East/South Asia Report

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6 January 1984

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SOVIET ENVOY IN ANKARA COMMENTS ON 'ARMENIAN TERRORISM'

Istanbul MARMARA in Armenian 3 Nov 83 p 1

[Text] Alexander Tchikanov, senior official at the USSR Embassy in Ankara said that he had been following closely the forthcoming elections in Turkey, and added: "On the occasion of the general elections to be held on 6 November, I congratulate you. We believe that after that date, the relations between Turkey and the Soviet Union will be strengthened and developed."

Yesterday, Tchikanov held a press conference at the embassy on the occasion of the 66th anniversary of the October Communist Revolution. When he was asked what he thought of Armenian terrorism, he said that the Soviet Union disapproved of the attacks directed against Turkish diplomats. It was noteworthy that the Soviet diplomat never used the words "Armenian terrorism."

Tchikanov said that Turkish-Soviet relations were developing in a context of neighborliness, and added: "Our policy vis a vis Turkey is unchanged. In the future too, we intend to pursue the same course."

When journalists pressed him on the issue of Armenian terrorism, Tchikanov said the following: "We have always expressed our great anger at the killing of Turkish diplomats. There is nothing else we can do."

12364

CSO: 4605/21



TERRORIST REPORTEDLY SEIZED AFTER ATTACK ON TURKISH EMBASSY

Istanbul JAMANAK in Armenian 31 Oct 83 p 1

[Text] On Saturday morning, at half past nine, two terrorists attacked the Turkish Embassy in Lebanon with small arms and bombs. One of the terrorists first threw 6 hand grenades at the spot where the security forces had stood guard the previous day, while the other terrorist fired a volley from his Kalashnikov at the same place. The security forces, who often changed their posts, opened fire on the terrorists suddenly from a point not suspected by the terrorists.

Taken by surprise by this unexpected resistance, the attackers took to their heels. One of the terrorists called Nishan Sarkis Tanielian was arrested by the Lebanese police guarding the embassy while the other terrorist jumped into a car and escaped.

The Beirut security forces arrived on the scene ten minutes after the incident. Cordoning off the area, they found a bag left behind by the terrorists containing 15 hand grenades.

Giving information about the event, our Beirut Ambassador Yousef Gujel said that the terrorists had planned to carry out many other acts but they had been thwarted.

During the attack, the glass door at the embassy was shattered to pieces by bullets and the walls riddled, but no great damage had been caused.

After the attack, an unidentified individual telephoned the office of the French News Agency and informed that the ~~ASABA~~ had carried out the attack and added that by this action, the Organization wished to demonstrate to the entire world that it intended to pursue the struggle. The man added that there were no dissensions within the Organization and that the Consular representations of Turkey, France, the United States and of all the Western imperialist states would be destroyed.

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CSO: 4605/22

PRESIDENT INAUGURATES NEW ARMS PRODUCTION UNIT

London AL-SHARQ AL-AWSAT in Arabic 25 Jul 83 p 1

[Article: "Egypt Enters the Era of Heavy War Industry: The Production of Tanks, Vehicles with Tracks and Cannons"]

[Text] The Egyptian president, Husni Mubarak, officially declared Egypt's entry into the era of heavy war industries in inaugurating the most modern Egyptian war factory, which was established on an area of 750 feddans in the Abu Za'bal area of the desert to produce heavy cannons, armored vehicles and tanks.

This factory is to be considered one of the newest and most massive heavy arms factories in the world and the first of its kind in the Middle East. The process of constructing it took more than 6 full years.

At the site, President Mubarak witnessed the first production in this factory of the Egyptian 23-millimeter dual anti-aircraft cannon, the 122-millimeter Howitzer, the heavy 130-millimeter cannon and the muzzle of the 105-millimeter tank cannon.

AL-SHARQ AL-AWSAT has learned that Egypt recently supplied Iraq with barrels for 105-millimeter cannons from this factory's output to be placed in the Russian-made T-62 tanks, whose cannons ceased [being available] because the Soviet Union stopped supplying Iraq with the cannon for these tanks.

The insistence of the political and military leaders in Egypt on invading the field of heavy war industries comes as an inevitable stage in the creation of integration between arms and ammunition of various calibers. In their production, the other Egyptian war factories have made massive strides in this area and have achieved self-sufficiency for the Egyptian armed forces in all types of ammunition.

At the same time, the new war factory has started to embark on the manufacture of vehicles with tracks, including the production of one, the M-113 armored car, in cooperation with the American party.

A military source declared to AL-SHARQ AL-AWSAT that stages of manufacturing a new armored car have actually occurred within this plant, in cooperation

with a Western country. This is a very advanced car and its cost comes to less than 40 percent of the price of its imported equivalents.

The source also added that the Egyptian war factories have made big strides in the manufacture of tanks, stressing that 1985 would witness the first parade by an Arab Egyptian tank on Egyptian territory.

Accompanying President Mubarak in the inauguration of the new war factory were the prime minister, Marshal Abu Ghazalah, the minister of defense, and Dr Jamal-al-Din al-Sayyid, the Egyptian minister of state for war production.

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CSO: 4504/74

EGYPT

DEFENSE MINISTER ABU GHAZALAH DESCRIBES RECENT TRIP TO WEST GERMANY

Cairo AL-MUSAWWAR in Arabic 11 Nov 83 pp 14, 15

[Interview with Field Marshal Abu Ghazalah by Rida Shata: "What Did the Visit to Bonn Accomplish?"; date and place not specified]

[Text] At the end of their discussions, which took place last week in the headquarters of the German Ministry of Defense outside Bonn, Field Marshal Muhammad 'Abd-al-Halim Abu Ghazalah, the deputy prime minister and minister of defense, and Herr Manfred Werner, the minister of defense of West Germany, stressed the concurrence of views between Egypt and West Germany regarding the issues of security and defense that are of concern to the two countries, especially as regards security and stability in the Middle East area, which is of particular importance as far as Europe is concerned. Both Abu Ghazalah and Werner expressed their desire to continue cooperation between the two countries in this field, for the sake of peace and stability in the world.

While, as Marshal Abu Ghazalah said, a strong Egypt will be able to realize peace and stability in the area, German Defense Minister Werner also stressed that "deterrent power" is the basic means for realizing security and protecting the peace.

In spite of the broad response the declaration of Marshal Abu Ghazalah's visit generated inside and outside West Germany, as it was the first visit the Egyptian minister of defense has made to West Germany, there was absolutely no reason to impose tight secrecy about this visit, since Egypt's efforts and sacrifices for the sake of peace are clear to the whole world. Egypt, as German Defense Minister Werner, as well as a number of senior leaders in the German armed forces, stressed to me, is now considered an extremely important element for peace and stability in the Middle East. Consequently, there is nothing standing in the way of the establishment of firm cooperation between the two countries in the military field, such as that that exists in the other areas of politics, economics and culture.

The German party reaffirmed its confidence in Egypt's policy and everyone considered that it is necessary to help Egypt, which is calling for peace, and to support it in all areas and strengthen it so that it will be able to

protect the peace and stand up to the dangers threatening the Middle East area.

The German minister of defense, Manfred Werner, stressed the extent of his love for Egypt, which he had previously visited a number of times when he was a student, in 1956, 1957 and 1959. He also expressed his appreciation for the invitation Marshal Abu Ghazalah gave him and his hope that it would be possible to respond to it in the coming year, 1984.

During my meetings with Marshal Abu Ghazalah at the beginning of his visit to West Germany and before his return to Egypt, he stressed to me the degree of his satisfaction with this visit and the results it produced for the two countries. He said, "In reality I am happy with this visit because Egyptian-German friendship is strong and deep and its roots go back many years in the past. The fact is that I sensed on the part of all German leaders, specifically the defense minister, Manfred Werner, great clarity and understanding of the Egyptian position, the Arab position, the Palestinian problem, the problem of the Middle East as a whole, their extreme interest in the need to establish a comprehensive permanent peace in the area and their extreme interest, as well, in the need to establish a national homeland for the Palestinians and their anxiety over what is now going on in Lebanon, the deterioration of conditions in the Iraqi-Iranian war, and the grievous events taking place in the Middle East, to the extent where they were often asking whether these explosions and crises which are taking place there would lead to the risk of a confrontation between the superpowers in the area. We, as an Egyptian delegation, described the Egyptian point of view, and they were understanding of it. I was very happy with this visit, because I sensed that West Germany is a country that is friendly with Egypt and can be of assistance to it in many areas. I would like to assert here that the visit was successful and excellent, and I hope that these relations will improve in the future."

#### Security and Defense Cooperation

I asked Marshal Abu Ghazalah,

"Your excellency the marshal, could you shed some light for us on the future of cooperation between Egypt and West Germany in the security and defense areas?"

He said,

"I would like to stress, here, that we can cooperate in many areas. For example, we can benefit from German technology in developing the Eastern tanks in our possession. It is also possible to benefit from German technology in the manufacture of the Egyptian tanks we hope to produce. As regards fuel processing activities, the Germans have new innovations there, especially as regards missile fuel, ammunition, and other new things. What I can state for the first time is that they have managed to reduce the current cost of ammunition and weapons by as much as 25 percent by introducing technology that will give better performance and use less ammunition. This, in my opinion, is considered the modern international trend, because there

are very many weapons in all the world's arsenals and it is not reasonable that these countries should destroy the weapons they have and buy new ones, as that is very costly and represents a heavy burden on countries' economies. However, if it is possible to introduce some developments in order to improve performance, benefits and effect, it is very possible for these countries to save the enormous amounts they spend buying these new weapons or even producing them. This is considered one of the most important things I saw in West Germany on this visit, and I hope that in the future we will be able to cooperate in this field. One should bear in mind that I consider that Egypt could be exempted from the restrictions imposed on arms exports in West Germany, because we are now striving for peace and are not getting into the various regional conflicts -- indeed, to the contrary, we are considered a main element for stability in the region, this is certain, and the whole world is convinced of that. A strong Egypt, not a weak Egypt, will help balance and stabilize the Middle East area.

"Of course, strength does not mean an increase in military strength, as some people imagine; rather, strength means that Egypt should have the capability and power to rely on itself properly."

#### Visits on Other Levels

In response to a question on whether he expected an exchange of visits between the two countries on other levels:

Marshal Abu Ghazalah replied by saying, "Of course. We hope for that, because we are also well aware of the position of the government of West Germany on the issue of exporting German weapons to areas of tension. We respect this position, and therefore we have not asked them to supply any type of weapons, appreciating this position on their part. However, the visits which I have made, in which I witnessed advanced German technology and the great capability to be found in the companies and factories, stresses that it is very possible that we could benefit from these rare resources and capabilities in developing our industries, whether civilian or military.

"I hope that we will follow this visit with field visits by many Egyptian technicians, to observe the scientific progress that exists and the resources available in greater detail, because the time for the visit was short. The visit was in effect a general establishment of an acquaintance rather than an entry into details, which in reality requires that this visit be followed by other ones."

#### The Most Important Results of the Visit

I asked,

"Your excellency the marshal, if we want to give concrete expression to the most important results of your visit to West Germany and your meetings with the German minister of defense, Manfred Werner, and the senior commanders of the German army, could your excellency express these results?"

He replied,

"There is no doubt that one of the most important results of this visit was that we became informed of the German view regarding the Middle East issue and informed them of our view regarding the development of conditions in the region. There was a correspondence of views regarding the need to solve these problems peacefully. This, in my view, is to be considered the main result of this visit.

"The second result, which is also important, is that we learned about advanced technology. I felt that we must turn to West Germany in many of our problems, those of both industrialization and higher management, the method of managing companies, and the method of managing industries. At the same time, I witnessed maneuvers with live ammunition in an armored unit and sensed that they have great, splendid combat technique. I hope that we will benefit from this. The extent of the German party's interest in my visit was totally clear."

[I asked] "Your excellency the marshal, the extent of the German party's interest in your visit was totally clear. You also made a visit to many industrial and military installations in West Germany, in the context of a concentrated program. Was that in accordance with your wishes?"

[He replied] "In fact, when I was invited on this visit, I asked the German party to set forth the program for this visit in accordance with its wishes, because we have come here representing a friendly country, and do not want to impose burdens on the host country, especially since this is the first time an Egyptian defense minister is visiting West Germany. It was also possible for me, for the first time, personally, to learn about Germany's greatness in numerous areas. I asked them to set out a program in detail, and we did not change the program in any way. It was a very full, heavily charged program. It went on from 0700 hours in the morning until 2300 hours at night, and I saw a large number of companies. I can mention in particular the Krauss-Maffei company, which manufactures the famous German Leopard 2 tank and many armored vehicles.

"The magnitude of the greatness of German technology in this great field was affirmed to us. What I would like to note here is that they were extremely frank with us and informed us of everything in detail, hiding nothing from us. There was a total openness in learning about the scientific capability and modern technology they had introduced into the manufacture of the Leopard 2 tank. The fact is that it is an excellent tank and few tanks in the world can attain this caliber. We also visited the German Siemens company in Munich, where we saw much scientific and technological development, such as administration and control systems and modern communications systems which can be used in all sectors, civilian and military, in the future. We also visited the Nobel Dynamite Company and saw modern technology in the realm of the manufacture of special fuel for rockets and the like, and a large number of other companies which I consider our engineers and scientists must be sent to in order to learn about this technology so that they can transfer those things that can be transferred to Egyptian technology, in which we have made excellent achievements!"

## A New German School in Egypt

[I asked] "Your excellency the marshal, the German party expressed its appreciation for you in particular when you declared your readiness to offer a plot of land for the establishment of a new German school in Egypt, now that the three German schools in Cairo and Alexandria have become too small for their students. What is the truth about this situation?"

[He replied] "There are two areas which I believe can be the subject of solid relations of friendship between the German and Egyptian peoples. I sensed a desire on their part to establish a new German school in Egypt, although there is a problem facing them, which is that of acquiring a proper place. Consequently, I informed them that we had absolutely nothing against allocating a piece of the land owned by the armed forces, because we also consider that such a school would be considered a contribution to education in Egypt, and I led them to realize that we were totally prepared to respond to this desire. Of course, that matter needs to be presented to the authorities in Egypt, though I am certain that this issue will meet with a great welcome there.

"The second issue which also constitutes a symbol of firm relations between the two countries is that we are now establishing a museum in the El Alamein area on World War Two. I presented this matter to the German defense minister Werner, who expressed full appreciation and approval for its broad horizon to me, whether on the political or strategic level. I stated to him that the German party could contribute to the design of this museum, which will of course contain a German wing, and provide it with historic items which we could put in this museum, so that that could be a good symbol for Germany. Of course, this museum could also cover the period before World War Two as well as Germany now, that is, in the period after the Second World War. In fact, I found a good responsive spirit in the German party in this regard.

## Clearing the El Alamein Area of Mines

"In addition, there is another important matter, which is the process of clearing up the El Alamein area of the minefields left over from World War Two. We would like all the German people to help us in carrying this out, because we are suffering now in this vast area, which is considered fit for farming and contains about a quarter million feddans of the highest quality farmland but is covered with mines. Most of these mines are German mines, and mines from other countries which fought in North Africa. I believe that it is proper for us to ask their help, be it material, scientific or technical, because they fought on our territory, and we hope that they will help us in that. I actually raised this subject in my conversations with the German minister of defense. There also has been correspondence between Egypt and the countries that were fighting in this area. There is a receptivity on the part of these countries, but I would like this receptivity to turn into practical steps, which requires aid in the form of equipment, as well as material aid, since anyone who takes part in war must also take part in eliminating the effects of that war."



DIPLOMAT REASSERTS NEED FOR NONALIGNMENT

Cairo AL-MUSAWWAR in Arabic 11 Nov 83 p 16

[Article by Hafiz Isma'il: "After October: Peace and Prosperity, 3: Egypt and the Two Great Powers"]

[Text] When I spoke about Egypt's responsibility toward the coming stage of struggle in the Arab world, I considered that its positive contribution would be drawn from a heightened solidarity and that these relations would be developed in their various forms. I considered it necessary that Egypt strengthen its nonalignment by reformulating its relations with the big powers and developing these relations in a gradual manner so that a sort of balance in its position on the two of them, which would strengthen its independence and desired role in the heart of the Arab world and its progress toward its goals of peace and prosperity, would be achieved.

I would like immediately to record the fact that Egypt's solidarity with the Arab world is one of the bases of its nonalignment although we hope that it will represent the prelude and point of departure for further development on a broader scale, realized in a context of peace, of the relations between the whole Arab world and the great powers. If that is a dream, today, it is becoming a dream which lies within the realm of the possible tomorrow. Peace and prosperity will not be achieved in the circumstances of a struggle between the great powers on the territory of our country, the powers' polarization of us between East and West, and their destruction of our powers and resources for the sake of the hegemony of one of them.

However, I would like to add that others do not bear the responsibility alone. We also share this responsibility with them, and we must all, in the Arab world, express our aspirations, fight for them and work to create the suitable circumstances to achieve them.

Neutrality Is a Consistent Egyptian Policy

Egypt's neutrality has been a declared political line of numerous governments, even before there was a nonaligned movement in the early sixties. Egypt considered that nonalignment always entailed the means for supporting its national independence and underlining its international

personality. Therefore, in 1939-40, it refused to declare war against Germany, then Italy, in spite of the terrible weight of the British presence in Egypt and pressures from the British government, which had hoped that Egypt's declaration of war would be a factor encouraging the other Arab countries and supporting British influence in them. However, public opinion in Egypt considered it a war which it was not in our interests to wage, one in which we had no stake, large or small.

In the early fifties, before the July revolution, the Wafd cabinet rejected the proposal of establishing a Western alliance which Egypt would join, which would take the place of the British military presence in the Suez Canal base. This continued to be the approach of Egyptian policy after the revolution, which rejected the plan for the "Near East Defense Organization" in 1952-53, then the Baghdad Pact of 1954-55. Indeed, at that time Egypt refused even to have Britain work to get other Arab countries to join this alliance, except for Iraq.

Thus Egypt avoided becoming the pawn of the big powers in their struggle and accepting commitments which were not dictated to it by purely national considerations.

When Egypt forms solidarity with the Arab world and resumes its role within it, it wishes to be relieved of all commitments toward the great powers which might impair its Arab role.

In a new conception of the Egyptian-Arab role, we hope that Egypt will become the element of stability within the Arab world and that it will not be a party to any struggle going on among Arab countries which is fed by foreign powers. We also hope that Egypt will be able to meet with all political and social tendencies in the Arab world and enjoy the confidence of them all, and perhaps thereby become an arbiter among them, whenever the need for that arises, thus becoming able to help eliminating causes of dissension or clashes before they flare up and become a factor for balance within the Arab community, keeping it from deviating in directions on which there is no unanimity or near unanimity. There is no doubt that Egypt's nonalignment is a basic condition for performing this role.

#### Outside the Circle of the Struggle

What cannot be doubted is that no one here in Egypt wants our country to remain within the circle of the American-Soviet struggle or to be a target of that struggle. Egypt's weight, with all its human, cultural, political and strategic dimensions, makes its clashes with either of the two great powers an international ailment [with] results that might be difficult to control.

When political relations, and military ones in particular, between a great power and an intermediate one reach a specific level, that is directly reflected on the nature of these relations between them. The major power will try to dominate by absorbing the smaller one into the mechanism of its international strategy. This in practice means its acceptance of the goals of the major power and its priorities in dealing with the problems it

addresses, the timing of its movement, its method and the instruments of this treatment. If the smaller power refuses to be submerged in this manner, as it is deeply concerned over its national independence and anxious over its own goals and special vision on approaching its direct problems, a clash will occur, and its effects will extend to all the areas of domestic activity and numerous other fields.

Egypt's alignment with one of the two major powers will encourage that power, in view of the powers and privileges Egypt provides, to rush to undertake, move and adopt initiatives, while that will provoke the other major power and push it toward reactions which are appropriate to the confrontation that exists. The major power possesses the abilities, the means and the scope for maneuver that will make it possible for it to exact revenge at a time it considers appropriate and to the extent it wishes.

Therefore Egypt's nonalignment and its alienation from the circle of the confrontation and clash between the United States and the Soviet Union will in a basic manner reduce the probabilities of a clash between Egypt and one or both of the powers, and it will also reduce the probabilities of a clash between the two major powers, by shrinking the "ground" of their struggle in our region. Thus we will be avoiding the consequences which could arise from Egypt's submergence under the umbrella of one of the two powers and the other power's rush to forms of confrontation of which it might not be afraid although we would prefer to avoid them.

Above and beyond that, an Egypt that is aligned but lies within the Arab grouping will implicate the Arab world in Egypt's problems with the major power as a result of this alignment. Egypt's nonalignment will support the stability and security of the Arab world. It will also allow it to avoid any painful effects of Egypt's clash with this power.

The last 30 years following Egypt's signing of the arms procurement agreement with the Soviet Union in 1955 have witnessed diverse forms of relations between Egypt and the great powers, and their reflection on our Arab world, and we must draw the lesson from our experience. In brief, these experiences which we have gone through warn us against letting our relations with a major power go beyond what we might call the "limits of safety" and warn us that we should avoid expanding the scope of friction and therefore reduce the likelihoods of a clash.

#### The Limits of Safety

Many people consider that the magnitude and nature of Egyptian-American relations have developed in the past 10 years to the point where they have almost brought us close to the "limits of safety," since the points of friction have increased with the expansion of the area of these relations.

This escalation in the relations between the two countries has been accompanied by an increase in the asperity of the American-Soviet confrontation all along the international front, from Seoul to Grenada, via Afghanistan, the Gulf and Lebanon. The United States, of course, gives priority, in its concerns, to the issue of East-West relations, and subjects all other

considerations to the service of its main objective, standing up to Soviet actions. For 3 years, from the beginning of the present Republican administration, the United States has stressed this policy, and for some months Secretary of State Schultz has stressed that the basic elements of America's policy are to resist and stand up to Soviet activities throughout the world and that "they are founded on the expectation that the Soviet Union finds that suppression is the most attractive alternative, or perhaps the only one." Thus the United States gives "confrontation" its basic attention in addressing itself to the Soviets and that takes the place of "negotiation" which the Republican and the Democratic administrations chose in the seventies.

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## THREE OPPOSITION LEADERS GIVE VIEWS ON DOMESTIC ECONOMY

Cairo AL-AHRAM AL-IQTISADI in Arabic No 774, 14 Nov 83 pp 24-30

[Interview with Mustafa Kamil Murad, Khalid Muhyi-al-Din, and Dr Hilmi Murad by 'Abd-al-Latif al-Mannawi: "The Opposition View of Egypt's Economy: Where Do the Opposition Parties Concur With the Government and Where Do They Clash?"; date and place not specified.]

[Text] Everyone in society is affected by the domestic economy, negatively or positively. Therefore, it is a national issue which concerns everyone and touches on everyone; thus everyone has the right to understand it and discuss it.

The fact that a given party assumes power in a given country does not mean that it alone has acquired the right to determine, carry out and discuss economic policy. Rather, it is the right of all other currents and parties to be an essential party to the dialogue and the discussion.

Proceeding from this premise, the dialogue concerning the government's economic policy is continuing. This initiative arises from our understanding of the role and duty of the nationwide papers. Therefore, we have presented a question on the evaluation of the government's economic policy to the opposition parties, which have long been accused of failing to offer alternatives and solutions and of stopping at the bounds of seeking out government errors.

If each party continues to speak alone, on its own stage, and views do not come together on a single stage, that will more closely resemble a "dialogue of the deaf." Therefore we are opening the door to discussion among the opposition parties; this is also an implicit appeal to the National Party to make its statement, provided that the climate of discussion, and the value of discussion, prevail in the end!

Mustafa Kamil Murad

We agree with the government on the broad outlines.

I demand that the Investment Authority be eliminated or turned into a service authority.

It is necessary to define the role of the public sector and grant freedom to the private sector.

I am against having technocrats assume ministerial and economic leadership positions.

The last 2 years have witnessed a great contraction in economic liberalization.

There is no consumer liberalization and productive liberalization; liberalization is liberalization.

The Liberal Socialist Party started to represent the Egyptian right with the emergence of a number of parties in Egypt. It agreed with, indeed formed coalition with, the government, the government both of the Egypt Party and of the National Party. However, now, for some time, it has assumed a militant stance within the opposition, while there once was a near conviction on the part of political observers that there was no great dispute between the Liberal Party and the National Party at any stage. Agreement had been declared through the unilateral declaration of a coalition between the two parties by the Liberal Party. A short time after that, the breakup of the coalition between them was declared, also unilaterally, by the Liberal Party.

The Liberal Party believes in a free economy in which the market mechanism determines the course of the economy. There must be no intervention by the government in the freedom of the private sector, which must be given free rein. There is no meaning to the differentiation that is made between productive liberalization and consumer liberalization. There is no need to have a public sector of the magnitude of investment and role that exist currently. Indeed, there is no need for any restrictions on imports or currency. We must give free rein to customs exemptions. These opinions are expressed in the words of Mustafa Kamil Murad, the chairman of the party.

We Agree and We Differ

[Question] The Liberal Party at some point was the opposition party closest to the National Party. The Liberal Party indicated that it agreed with the government's economic policy. Now the situation has become different. To what extent is the Liberal Party in agreement with the government's economic policy?

[Answer] We may agree with the government's economic policy in its broad outlines, but we disagree with it greatly as far as the details go. We agree over the importance of the public sector as a principle, but we disagree with the limits of its role and the magnitude of its investments. We agree over the importance of the private sector, but we call for a more extensive role. Then, after that, we disagree with the government over monetary and credit policy and lending policy.

[Question] Let us try to deal with each of these particular details and determine the limits of agreement and disagreement. Let us start with the public sector -- where is the agreement and where is the disagreement?

[Answer] We consider that the public sector's activity must remain in the framework of heavy and strategic industries, and the infrastructure of the country, so that we can give the private sector the opportunity to exploit its savings. We agree with the government that the public sector is needed and is a basic pillar of the domestic economy, but we also want the private sector to grow at annual rates of no less than 15 to 20 percent so that it will allow the government to avoid borrowing, deficit financing and inflation.

[Question] Do you believe that the public sector bears much of the "burden" for inflation and deficit financing that you are talking about?

[Answer] The basis of inflation in Egypt is the public sector. It is the bills and rules organizing the public sector that are responsible for this, and the inefficient method of managing it. More than 3 years elapse before any project in the public sector is given permits. There are no feasibility studies. In this period, the private sector might establish a project, and its production might actually start. There are projects which have been going on for more than 9 years, such as Suez Cement, as a result of measures, restrictions and bills in the public sector, which slow down and reduce the volume of investment in it.

[Question] Am I to imagine, then, that in this case the role of the public sector should not be restricted but the bills and laws that regulate it should be amended?

[Answer] No. Rather, what is needed is to modify the two together, the bills and laws which restrict it, and the restriction of its role. I recommend that the system of holding companies prevail in the public sector, in the sense that the holding company have the right to combine all the forms of activity related to a specific industry, for instance, a land transport company, a marine transport company, an insurance company and a bank should be made subsidiaries of a textile company, that is, constitute a strong, integrated economic unit. This will be done by breaking the public sector down into holding companies. We consider that these companies must belong to the ministries so that they may be separate from government administration, and they should have a board of directors. This board, along with the competent ministers, will constitute the higher council of the public sector, and a deputy minister will be its chairman and will be answerable for it before parliament.

The subdivision of the public sector into specific sectors and the setting out of a general authority for each specific sector is a communist system and one that is to be rejected.

#### The Private Sector and Its Limits

[Question] You consider that there must be an increasing, growing role for the private sector. How can the tempo of the private sector be controlled in keeping with the goals of the domestic economy, and how can the role of the private sector be controlled?

[Answer] The plan must be one of approximations, not details. I consider that that would be possible by having each ministry declare areas of investment in the newspapers and in special brochures which will indicate to the investor in the private sector the areas which require investment. It will also be necessary to make announcements about the loans coming from abroad and to plan for their disbursement, and to make announcements about existing loans which the private sector can benefit from.

[Question] In the event the private sector is granted freedom to work without strict rules, that could lead to a disruption of the social structure of the country, and social harm could result from that.

[Answer] That is leftist talk. Value added arises from every investment, that is, the difference between the price of the good and the raw materials used in it. National income is made up of the total values added. This value added consists of profits, which constitute a small part, workers' wages, which constitute the main part, and customs duties. These are the most important elements of values added. The whole conflict is over profits. These are subject to taxes; they take 40 percent, in the first tax levy, on commercial and industrial profits, and 60 percent is subject to general ~~income tax~~ which comes to 60 percent. This all reverts to the government. In addition, the employer pays 20 percent of the wages as social insurance.

Therefore the benefit the domestic economy gets from giving the private sector free rein is very great; it obtains about nine 10ths of the value added, at a time when the public sector is losing money.

#### A Commercial Money Market

[Question] If we can move from this point to another matter, the government's monetary policy, to what extent are you in favor of that?

[Answer] We disagree totally with the government over monetary policy. We consider that a government cannot claim that its economy is sound when its currency has four prices on the market.

[Question] Do you have specific recommendations on changing this policy?

[Answer] Through the commercial foreign money market. I went to Washington in 1975 and met with the vice president of the International Monetary Fund, in the presence of 'Izz-al-Din al-Sharif, the Egyptian advisor to the fund, and he fully agreed with me over the notion of establishing a commercial money market in which all the people who deal in the currency would take part; it would close at noon and the closing price would be announced in the world's markets.

In fact, Dr Ahmad Abu Isma'il, the minister of finance at the time, sent a letter to the World Bank and sent a group of experts who stayed 6 weeks, then arrived at the conclusion that in Egypt there are competent Egyptians who can administer the market and that the support fund would encourage that and would contribute \$200 million. At that time, we needed 1 billion. Dr Muhammad Zaki Shafi'i, the minister of economy at that time, agreed to the



notion, issued a ministerial decree establishing the commercial foreign money market and sent it to the economic committee, which I headed. Then he left the cabinet a day after that! The situation has been paralyzed, up to now. "Speak, whoever has an explanation!"

[Question] There are many experts who consider that applying the system of a commercial money market while there is a balance of payments deficit would lead to harmful economic effects, since the value of the Egyptian pound vis-a-vis other currencies would deteriorate.

[Answer] The people who make that kind of statement are teachers dealing with students. This talk is right and wrong. It is right in theory but wrong in application. The deficit can be gradually reduced. Indeed, it is the commercial market that reduces the balance of payments deficit.

#### Reagan Is Not a PhD

[Question] Am I to understand from this statement of yours that you are against the notion of having academics and technocrats assume ministerial and leadership positions in the economic area?

[Answer] A politician is a politician only as a result of elections and parliament, while the role of academics is restricted to the necessary studies. The reason for the lack of success we are suffering from now is that a large number of ministers are technocrats, with a high degree of learning, true, but ultimately bureaucrats. Reagan is not a PhD, and neither is Thatcher!

[Question] What about your position on the issue of subsidies, which is raising a great deal of controversy?

[Answer] We consider that subsidies are only a value in kind that is given to consumers, and that ought to be given to them in cash form. We must differentiate between the system of applying economic prices and social prices, so that the public sector will not be harmed. We consider that the goods the public sector produces ought to be sold at their economic prices. If the government insists on subsidies, let it establish a price stabilization fund.

#### Liberalization Is Liberalization!

[Question] We now come to a discussion on economic liberalization. In the past 2 years, a large group, indeed a majority, of politicians and economists, some who have responsibilities and some who do not, have shared the view that the application of economic liberalization in the seventies was marked by many excesses, which deflected it from the purpose in applying it.

[Answer] The economic liberalization policy is one of the most successful policies President al-Sadat produced. We called for the policy of economic liberalization starting in the early seventies. We consider that that is one of the most successful policies that can be applied in Egypt.

[Question] What about the application of this policy?

[Answer] It is the leftists and the communists in Egypt who have made noise about the application. They constituted an obstacle to the development of liberalization. They are always screaming "selling the public sector" "selling the land." The leftists' uproar has created a kind of anxiety and fear, and the government also bears part of the responsibility because of its hesitation.

[Question] Do the leftists and the communists also bear responsibility for the charge that has been made, that the economic liberalization was a liberalization aimed at consumerism?

[Answer] What does it mean to have a productive liberalization, and another, consumer, liberalization? There is no meaning at all to this statement. Liberalization means liberalization and the deriving of benefit from all Egyptian savings, domestically and abroad, so that they will welcome various projects which will increase production, labor and national income. That is liberalization. However, it is not right for us to break it down into consumer and productive liberalization. Investment projects have the right to function in any field, and any form of production.

[Question] However, if there is a disruption, the volume of consumer goods will increase.

[Answer] The market mechanism is what determines that.

By the productive liberalization that he is talking about, President Mubarak means that investment should be directed to the production of goods which the majority of the people consume.

#### Liberalization Is in Retreat

[Question] What is your evaluation of the phenomenon of corruption which has constituted part of the phenomenon of liberalization?

[Answer] It is normal that there should be corruption in any society, at any time. Aberrance is part of human nature and it is not right to concentrate on it. This has caused the flight of \$2 billion from the market, because there has been a lack of sense of security.

[Question] From your statement, can I foresee that you would disagree with the view that the Egyptian economy has started to stand on its feet in the past 2 years?

[Answer] I disagree with that totally. There is no doubt that a big contraction has occurred in the investment process in the past 2 years. The volume of private sector investments has shrunk, and they have entered a state of hesitation, expectation and anticipation. I am not in favor of the committees to guide imports either. Let us let the market guide itself. Do you want to control people's consumption!

## Eliminate the Investment Authority

[Question] President Mubarak has raised the slogan of encouraging domestic industry. What is your evaluation of this slogan?

[Answer] The slogan is good, but when will people buy Egyptian products? That will happen when they find these products at a good level.

[Question] How can one bring that about?

[Answer] By encouraging industry and eliminating restrictions on money and imports, to pave the way for competition between Egyptian and foreign industry.

[Question] However, the logic of competition makes it mandatory that there be a form of equilibrium among competitors.

[Answer] I am in favor of limited customs protection for a short period. Egyptian industry must protect itself.

[Question] What is your evaluation of the role of the Investment Authority?

[Answer] It is a bureaucratic role. I am not in favor of having the Investment Authority's role take this form. I consider that investment must be open.

[Answer] Does that mean that you are against the existence of the Investment Authority, in spite of the modifications that have been made in it recently?

[Answer] Yes. However, if they want to keep it, let it be a service authority which will point investors to the best ways of investing their money.

## The Plan and the Figures Are Wrong

[Question] Now that a year has elapsed since the beginning of the 5-year plan, how would you evaluate the accomplishments of a year of planning?

[Answer] I have not been given data by which to judge, but, at the same time, I do not consider that a project has been completed until it starts producing. The real evaluation of a plan comes when the project has been completed and it has realized production in the volume planned for it and at the specified quality.

If the government carries out 50 percent of the plan, I will be the first person to praise it.

[Question] You are saying this at a time when reports consistently state the opposite; according to these reports, it has carried out 98 percent.

[Answer] They have been making this statement since the days of Jamal 'Abd-al-Nasir. Go back to the real percentages and the percentages announced to the masses. The government always exaggerates the figures so it can look good.

Do You Have a Clear Idea?

[Question] It appears that your differences with the government have become much greater in degree than a few years ago, when your party formed a coalition with the National Party.

[Answer] We formed a coalition with the National Party on grounds that we were close in our programs. However, our brothers in the National Party at that time appear not to have been totally happy with that. We ought to have attended meetings and held discussions together, and gone into the government with them; that is the basis of a coalition. Nothing of this sort happened, and we broke up the coalition without informing them. The purpose in the coalition was not just to get a majority but also to support and strengthen the cabinet.

[Question] Another question: could we say that your party has a clear, specific policy and ideology?

[Answer] Through actual experience, we have derived broad policies. We do not have a specific ideology but we do have a program adopted from application and political practice. The numerous elections we have taken part in and our contacts with the masses have all given us a specific conception of the liberals' program, which we have set forth.

Khalid Muhyi-al-Din

We are asking for an urgent 3-year salvation plan, after which we can begin the 5-year plan.

A development plan cannot succeed unless the government and the public sector have a strong, influential role.

The government has taken positive measures, but they will remain marginal unless it changes its policy.

The government made progress toward reform, then stopped; I do not know why.

The National Progressive Unionist Grouping Party could once again represent the Egyptian left, with all its currents. It is also the party which opposed the government since it was established, while the positions of some other parties have changed at certain times. The Grouping Party claims that it has a comprehensive political, economic and social vision, at a time when it is facing the accusation, as are the other opposition parties though to a lesser degree, that it stops at the point of casting aspersions on the government's accomplishments and creating fear over its excesses, if they exist, as some people imagine!

As AL-AHRAM AL-IQTISADI opens the door to a nationwide dialogue on the government's economic policy, it is addressing itself, today, to the point of view of the Grouping Party, as embodied in the person of its secretary general, Khalid Muhyi-al-Din, as it has addressed itself to, and is addressing itself to, views of others. The discussion dealt with an evaluation of

the government's economic policy, a comparison between two models of development, from the sixties and the seventies, and specific recommendations from the party to emerge from the crisis.

Since ours is a nationwide dialogue, and it must be dominated by an atmosphere of dialogue, which will give everyone the right to express his view, here is Khalid Muhyi-al-Din's interview.

#### The Major Process

[Question] You have been the Egyptian opposition party which is most in opposition and opposed to the government since your party emerged. To what extent do you differ with or are in favor of the government's economic policy now?

[Answer] The dispute between us and the government is a large one because our party has a strategic objective and tentative objectives. This is apparent through the economic report we presented to the economic conference. Our strategic goal is that the best way for developing the Egyptian economy is the road of comprehensive development founded on comprehensive planning. Egypt is a developing country and its economy cannot grow unless the public sector and the government have an obvious, leading role in it. The private sector in Egypt is a weak man and can grow only in the context of comprehensive planning in a comprehensive plan where the government plays a large role.

The proper model to have been realized in Egypt, our reservations about it notwithstanding, is the model which was realized in the sixties. Although it did not proceed along the requisite road to serious development, it is the most serious plan to have been realized in the countries of the third world so far.

[Question] On what evidence do you base the statement that what was realized in the sixties was a better method than what was realized in the seventies?

[Answer] Industrial [and] agricultural development took place, but it was marred by certain flaws, among them the fact that the consumer aspect assumed a larger character. For example, the automobile industry. This type of industry is not in keeping with a country in circumstances of development.

However, I consider that the major process which took place in the sixties is the one that Egypt was able to live on until the rebuilding of the armed forces and the crossing. At that time, the Egyptian economy had not reached the zero point, as it was rumored. The Egyptian economy, which made the October war, is the economy which the first development plan and the individual years of development which occurred after that built.

The yield of this great experiment is embodied in hundreds of factories and the reclamation of more than a million feddans. I am not starting from a vacuum but rather am starting from what has taken place. Our party starts from this experiment, its negative and positive features.

## A Salvation Plan

[Question] Don't you believe that the Egyptian economy has actually started to progress along this road, with its application of the 5-year plan?

[Answer] There is near-unanimity that the crisis of the Egyptian economy is a structural one. We do not imagine that the Egyptian government can reach this strategic goal suddenly. Economic conditions do not make it possible to prepare a new 5-year plan, because that would take a long time, which can be shortened only at the expense of accuracy in the plan and soundness in its criteria.

Therefore we have asked for a salvation plan lasting for a period of 3 years to emerge from the current bottlenecks and prepare the economy for 5-year planning, in a manner where the 3-year plan would concentrate on creating rapid development in Egypt's productive capacity in the commodity sector, especially in the area of agriculture and processing industry, would mobilize all resources and invest them in service of development, would limit borrowing from abroad, would try to limit differences in incomes, would satisfy the basic needs of the people, would limit inflation and would impose a firm policy for limiting price increases.

This program was actually founded on the notion of having the government resume bearing its responsibilities for managing the economy and directing development, while trying to eliminate parasitic activity and parasitic capitalism, in a serious effort to stop the deterioration which is occurring in the Egyptian economy.

This is the reason for our objection to the 5-year plan. The goals of the plan are good, but the policies that will lead to them have not been defined.

[Question] Would it be possible to give some specific examples of that?

[Answer] In the building sector, it is clear that there has been an increase in above-average housing which is not matched by the hypothetical increase in ordinary housing. This requires that there be a policy on construction which the public sector will perform.

The policy of relying on loans from abroad -- although the government is in agreement over the importance of reducing reliance on loans, its estimates are that its reliance will increase by 25 percent over last year.

[Question] How in your view can reliance on the outer world be reduced?

[Answer] By giving attention to domestic conditions. We are paying a subsidy to the American wheat grower! We buy wheat at a price that is higher than that at which it is bought domestically. If you give the Egyptian peasant this subsidy, wouldn't that be better?

I consider that all the government's efforts must be concentrated on the issue of food. If there are real efforts in the area of agriculture, they will become apparent.

We also depend on rural resources. Oil, tourist activity, the Suez Canal, and the savings of Egyptians abroad -- dependence on these resources must be reviewed.

The potential of the arable land in Egypt is not great. We see that as a solution only in the Arab context. Therefore we support integration with the Sudan in principle.

Therefore we consider that the issue of industry is a vital one for Egypt and one connected to the development of productive capacity and the opening up of new markets. Therefore we as a unificationist party consider that Egyptian economic progress is connected to economic planning in the Arab world. If the government had accepted these ideas, the economists in the Grouping Party would have helped the economists in the government.

#### National Austerity

[Question] The issue of subsidies has up to now continued to constitute a hot topic of discussion. There are many views on it. What is your position on the issue of subsidies?

[Answer] When the prices of oil dropped, Dr Isma'il Sabri 'Abdallah expressed a point of view whose gist was that Egypt would be faced with crisis as a result of the drop in oil prices. At that point, you will raise the issue of subsidies, which is raised at every economic crisis. Subsidies have two sides, an economic side, which is represented by the fact that they constitute a part of the burden on the budget, but also another side, the social side, which is that they redistribute national income among the members of the people.

Dr Isma'il 'Abdallah recommended that the issue could be resolved only with a carefully calculated general national austerity.

[Question] Who, among the Egyptian people, would observe the austerity?

[Answer] At least 40 percent of the Egyptian people are in a state of "readymade" austerity, with their backs to the wall. With the other 60 percent of the people, if they take two steps their backs will be to the wall. Therefore our view is that the social map says that 5 percent of the Egyptians get 21 percent of the national income. Therefore, there must be austerity among the people who have a greater surplus. Therefore we are requesting that the austerity be carefully calculated.

We are telling the people in this case that it is probable that in the course of 5 years conditions will improve; in that case, people will be prepared for that. However, there is no room for people to observe austerity so that the people who are getting rich may continue to get rich while the poor get poorer.

#### Independence of Egyptian Decisionmaking

[Question] The issue of reliance on food from abroad leads to the weakness of independent Egyptian decisionmaking. Therefore, this issue must preoccupy

us. The solution in calculated austerity must also include the area of grain. That cannot take place without the participation of the people.

[Answer] General carefully calculated national austerity is a national issue which has been imposed on us, if we want to be independent and rid ourselves of dependence on any power. This is a national issue in which all Egyptians must take part, and we cannot participate in it without expressing opinions.

We consider that the way the Egyptian economy is going, unless there is a radical modification of many policies and an approach toward increased planning, development will not occur in the country or in the private sector.

The economic structure in Egypt proves that the productive sector is the most heavily burdened one. Conversely, there are the parasitic activities which live on having the economy in crisis. We consider that these activities should be throttled and ultimately eliminated. Without that, the Egyptian economy will remain in a drain that will exhaust it.

[Question] The last 2 years, many people agree, the government has taken some steps in this direction.

[Answer] It took steps, then stopped. It entered into a battle against corruption, then stopped. Making the elections to local councils based on absolute lists is also to be considered a step backward. This means that all the corruption that is going on in the Egyptian countryside and urban areas will continue.

[Question] What is your explanation of the fact that the government ceased continuing to keep going in the same direction, as you say?

[Answer] Did it cease because the National Party has entered the elections, or were there pressures because striking out at the centers of corruption shook confidence in the open economic system and people started to feel afraid? Was it suspended because of domestic and foreign pressures, or was there a conviction that that was enough?

I consider that the general situation brings parasites to the fore and does not encourage a tendency toward productive work.

#### The Price Stabilization Fund

[Question] Let us go back briefly to the public sector. You are calling for a stronger, greater role for the public sector, but what do you have to say about the losses it is sustaining?

[Answer] We consider that the public sector must have the right to sell its products at the market price, and that subsidies on the commodities produced must be on the final product, while the government buys the commodity at the market price, then pays the subsidies for it. That can be done by establishing a price stabilization fund which would take from the affluent to finance this fund.



Do You Have Alternatives?

[Question] Could it be claimed that you have specific alternatives for getting out of the predicament you are talking about?

[Answer] We consider that the solution lies in carrying out the proposals contained in the party report, "Egypt's Current Economic Crisis and the Way To Emerge from It," which we previously presented to the economic conference in 1982. In brief, this consists of:

First, creating rapid development in Egypt's productive capabilities in the commodity sector, especially in the area of agriculture and processing industry.

Second, exerting the maximum effort to mobilize domestic resources and use them to serve development and reduce recourse to foreign loans.

Third, seeking to limit internal differences and meet the basic needs of the masses of the people by reviewing social priorities.

Fourth, limiting inflation and imposing a decisive policy to limit the rise in costs and prices by seeking immediately to limit the deficit in the general government budget and absorb a large part of the buying power of the rich through taxes.

Fifth, having the government make a serious stand to achieve comprehensive, balanced development that will guarantee that the Egyptian economy is oriented toward self-reliance rather than subordination to the foreign world.

Sixth, reviewing the policy of liberalization to the end of liquidating parasitic activities by limiting the exposure of the Egyptian market to consumer goods, ending importing without the transfer of hard currency, eliminating exemptions of all kinds and increasing taxes.

[Question] After all these differences and criticisms of the government's economic policy, don't you see anything positive that the government has done?

[Answer] Certainly, there are some positive measures, such as limiting Port Said as a free city, putting taxes on an escalating basis and renovating and supporting the public sector. However, we still consider that these measures are marginal ones which do not serve the goals of true development or even the goals of the 5-year plan, which you can see are modest. We have no hope that the Egyptian economy will become integrated in a totally positive form in the end of the plan that is being applied now.

Dr Hilmi Murad

There is no general agreement or comprehensive disagreement with the government's economic policy.

I demand that the political parties not be implicated in the economic area!

The establishment of a society of probity and virtue and the provision of sound democracy are two matters that are the object of debate with the government.

The Labor Party, the largest Egyptian opposition party so far, agrees sometimes with the National Party and differs sometimes, and [illegible] to the strongest opposition to the National Party and its policies and cabinet. Dr Hilmi Murad, the secretary general of the party, is one of the "brightest stars" of the opposition on the Egyptian political stage. He is considered to be the official spokesman of the party. We presented him with the basic question on the government's economic policy, which he described by saying that it is not possible to state that there is a comprehensive disagreement or general agreement with government policy, and, if there was, there would be many points of disagreement.

Dr Hilmi Murad set out a new recommendation during the discussion, which was that the political parties not be implicated in the economic area.

Putting the values and principles of dialogue into practice, we present Dr Muhammad Hilmi Murad's interview:

#### Agreement and Disagreement

[Question] To what extent can one say that there is agreement and disagreement with the economic policy and the government?

[Answer] One cannot say that there is comprehensive disagreement or general agreement with the economic policy the government is pursuing now. The present government has in fact amended many of the points of disagreement [we had] with the governments of the previous era, in a manner which brings it close to our viewpoint, for instance, considering wheat a crop which we must seek to be self sufficient in, considering that to be a basic commodity and one that is used for international political pressure, whereas the byword once was self-sufficiency in foodstuffs except for wheat, then setting out some rules on luxury goods that are imported without the transfer of hard currency, so that the price that was paid for them can be used in a way that is more relevant for the citizens, appealing for an increase in production as a slogan for development and giving domestic goods preference over foreign ones, so that we can build the edifice of our domestic economy and not remain in a state of reliance on the outer world. However, there still are numerous points of dispute, even over the ways and means followed in the points of agreement or rapprochement which have appeared.

[Question] What are the most important points of disagreement over economic policy, and what are your recommendations on these points?

[Answer] It is difficult for us to list the points of disagreement on economic policy in full in this conversation, but we can enumerate some of them. While the government has adopted planning as a basis for development, there is a difference in the determination of priorities for projects, the degree to which they are interconnected, and ways for carrying them out. We consider that the priorities should follow the vital facilities on which the

productive projects for investments which provide a rapid payout to cope with the pressing reserves [sic] before expanding projects which are long in paying out [verb missing], and we consider that the provision of allocations for replacement and renovation in existing factories should take precedence over the construction of new plant in this area. Emphasis should be placed on a limited, integrated number of projects so that they may be completed rapidly and use may be made of their output, rather than having fragmentation among many projects while none of them are completed. This point is connected to another point of difference, which is the extent of reliance on foreign loans. Expanding projects without concentrating them and creating integration among them will have the effect of creating a vortex of growing foreign loans which will encumber the government with financial burdens that will weigh heavily on it in the future. We must basically rely on ourselves and resort to loans only when necessary, for productive purposes. We must guarantee that only the muscles and brains of its own people build Egypt up.

We also differ about getting the political parties implicated in the area of economics. It is feared that that will lead to the infiltration of party and political influence, corrupting the course of activity in economic life. We have witnessed examples of that in the cases presented to the court of values which "concerned popular development."

#### The Public Sector

We do not agree with the government over its method for developing the public sector, on grounds that from the realistic standpoint it accounts for a massive share of economic activity, especially in the area of industry. The government is content to amend the law that governs the sector and reconstitute and rename the structures which make up its installations, calling them general authorities, whereas they had been designated sectors or organizations; however, this sector's problems require a review of the definition of the areas which are compatible with its nature, so that it may relinquish other areas to the cooperative, mixed or private sectors, and be stripped of shortcomings and obstacles, and so that those of its components which were established though adequate study on their economic viability may be eliminated, so that they will not continue to impose constant losses on the government, while the rights of workers are protected by transferring them to other projects. It is also necessary to form committees containing economic, technical, accounting and administrative personnel which will study conditions in the sector's projects as they really are and set forth solutions to remedy the problems of all them, which differ from project to project.

We also disagree with the government's policy of transferring production techniques from abroad without paying attention to our own circumstances. As a result of this, our villages have been transformed into consumer units and artificial fish farms have been established while use has not been made of the natural water surfaces that we have, in the form of seashores, numerous lakes and the Nile waterway.

We are not in agreement with the establishment of joint projects through the participation of existing public sector projects and foreign capital, which

results in the loss of a substantial percentage of domestic capital, rather than its replenishment. [We believe in] the establishment of new projects with foreign capital if the situation requires.

We also differ with the government's policy on the method for pricing crops and the means for marketing them administratively. We consider that this marketing should be on a cooperative basis, in the proper sense of this word, in favor of the peasants, so that they do not emigrate from the land, as has happened, and leave the country.

We are not in favor of the way the economic community in Egypt has been broken up into an investment liberalization community and a national community, which both differ in their ways of doing business, the prices of their products and services, and the wages of the people working in them.

We also do not agree with the government over the lack of interest in preparing projects and marketing them among Egyptians working abroad, so that their savings will not be squandered on consumer goals, and over the failure to set out rules on the free zones so that they will perform their well known function internationally, being a center for processing, assembly and storage for neighboring countries, not a center to facilitate the entry of foreign goods into the country that provides opportunities for customs evasion.

In addition to this, we do not agree with the government over the system of taxes that is followed; this has resulted in an aggravated disruption of the distribution of national income. It is still the indirect taxes that prevail, and direct taxes still do not get at many people with large incomes.

We should not miss the opportunity to mention that we make an indissoluble link between economic policy and the establishment of a society of probity and virtue which calls for a struggle against corruption and aberrance, and the provision of a sound democracy which will bring about true stability. These are two matters which are the object of dispute in the government.

[Question] Could one say that the Socialist Labor Party has a clear vision, which could be called a specific, clearly delineated economic policy?

[Answer] Yes, the Socialist Labor Party has an economic policy with specific outlines that has been set forth in its program. That is founded on "serious work" and planning in a society founded on "virtue, probity and fear of God," for the sake of the growth of the Egyptian economy "in an independent fashion," with reliance on the self, basically, with the goal of providing "a happy life for man" by adopting the socialist platform, which is based on two foundations, "the provision of necessities for the masses" in order to attain a society of welfare and prosperity, on the one hand, and "empowering the government to direct the national economy," without dominating it, and the fulfilment of private activity. If we go to the party's program and read it in detail, we will find an explanation for each of these words in a detail which is in keeping with a permanent program that does not address itself to particular points.

## Criticisms, Criticisms

[Question] Many accusations have been raised and directed at the opposition parties for taking a position that is critical of everything, including economic policy, while not presenting a "possible" alternative in the light of Egypt's special circumstances. How would you evaluate this statement?

[Answer] This accusation is unjust, because at the economic conference which President Mubarak convened we presented a full report on the party's viewpoint on the economic problem and ways of solving it. This report contains a criticism of existing conditions and sets out a remedy to them. This report was printed and distributed to people who attended the conference, and it was sent to all the bodies concerned.

Do You Disagree?

[Question] Many politicians and economists consider that the Egyptian economy has started to correct its course and to stand on its feet as a result of a group of economic measures and decisions over the past 2 years. Do you also disagree with this view?

[Answer] There is no argument that "some" of the economic measures and decisions that have been taken in the recent period have resulted in a limited reduction in the great deficit in the balance of commercial transactions and the balance of payments and the amount of currency that has been issued, and the limited growth of the productive private sector in agriculture and industry. Some steps have been taken to encourage exports. However, the room for reform continues to be broad and requires great effort. The deficit in the general budget has improved only within narrow limits, government revenues, in particular taxes, still do not account for an adequate amount, the deficit in the balance of payments is still large in spite of the modest improvement, and the disruption in the existing structure of agricultural and industrial production is still present in comparison between consumption and imports. Let us not forget the existing disruption between prices and wages and the maldistribution of national income, which raise the issue of social justice.

[Question] President Mubarak has raised the slogan of encouraging domestic industry. What is your appraisal of this slogan, and how can it be transformed into tangible reality?

[Answer] We support the slogan of encouraging domestic industry. That is a slogan we have always been propounding. However, adopting it will of course require that the citizen not succumb to a difficult choice between foreign goods whose entry into the local market has been facilitated, and which are distinguished by quality, taste and appropriate prices, and domestic goods which are lacking in some of these characteristics. Therefore, putting this slogan into practice will require attention to raising productive capacity in the field of industry, not just in qualitative terms but also in quantitative ones. Citizens find difficulty sometimes in coming upon some of the domestic goods they require because of their shortage on the markets.

IMPLICATIONS OF COURT DECREE LEGALIZING POLITICAL PARTY REVIEWED

Cairo AL-SHA'B in Arabic 1 Nov 83 p 7

[Article: "An Important Principle in the Council of State Verdict on the Restoration of the New Wafd Party: The Relationship between the Government and the Parties Is Governed by the Law and the Constitution"]

[Text] The administrative judiciary court of the Council of State, under the chairmanship of Counsellor Jalal 'Abd-al-Hamid, has issued a ruling on the legitimacy of the New Wafd Party. The ruling contains an important legal and constitutional principle concerning the relationship between the government and the parties. The Council of State has asserted that the right to form political parties is to be considered a constitutional right.

The ruling includes the fact that when a party is established in accordance with the conditions and circumstances stipulated in the law, it becomes its own master, and no power can be exercised over it except through the law, and the masses which have given it their trust, rallied around it and established its identity, because the right to form political parties, and their continuation or relinquishment, is considered a general constitutional right which is derived from the right to form societies or groups and the right to participate in making political decisions by running in elections and through elections and referendums.

This right also arises from the general freedoms which constitutions stipulate in fundamental form. These are the freedom of assembly and the freedom to express political opinions and beliefs through the various media. These are all general freedoms which are made inevitable by the nature of democratic parliamentary regimes, under various constitutions, and are dictated by their basic essential foundation, which is the grant of sovereignty to the people.

It is on the basis of this conclusion, by virtue of legal necessity, that the establishment of a political party is not essentially based on a permit granted by the authorities whenever and however they wish, or cancelled whenever the party loses its power. Rather, it is a genuine right derived directly from the constitution and the presence of specific conditions in the law.

In this regard, the role of the law does not go beyond that of a mere instrument regulating the use of this right and acknowledging the presence of the conditions and elements of this right. This was expressed by Article Five of the constitution when it said "The law will regulate the political parties."

In this general context, the relationship between the government and the political parties must assume a form that will realize the general good for the members of the people, and this makes it mandatory that it absent itself from interference in the internal affairs of parties and relinquish [sic] them only in the arena of national interests and the national goals of the masses, without concerning itself with purely internal decrees which do not affect the public interest or harm a national objective which the party might adopt or be held accountable for, since that will not be in keeping with the nature and essence of the relationship between the government and the parties, and will consequently remove it from the commitment to neutrality which it must observe.

This duty constitutes the base and the general framework of legitimacy in this regard and truthfully expresses the spirit of the political organization which is founded on the basis of the presence of a number of parties, as specified by the constitution.

Since the decision to dissolve a party of its own volition is one of the most serious decisions, one which involves its progress and eliminates its legal and political existence, therefore it is necessary that it be issued by the body which possesses this authority and that it be proper, final and endowed with the unequivocal significance of the meaning of the dissolution.

Prudence is also required in the issuance of the decision, and care must be taken, in executing it, that its elements and foundations be complete and that reference be made throughout to the objective and formal rules of legitimacy, as the party's bylaws stipulate.

It goes without saying that the committee on political parties not be required to participate in making this decision or adding to it, and it may not adhere to it in a manner which conflicts with the demands of reality or is in isolation from the circumstances and concomitant facts in whose context it has been issued or in a style which is not compatible with the requirements of the principle of good intentions governing the relationship between the authorities and the masses. If it does so, it is a committee on parties which has thereby violated the limits of its powers and whose conduct has committed the error of causing the authorities to deviate from their original objective.

The court of the administrative judiciary has issued its ruling under the chairmanship of Counsellor Jalal 'Abd-al-Hamid, the vice chairman of the Council of State, with Counsellors Muhammad 'Alam-al-Din Ibrahim and Mahmud Ibrahim as members and 'Abd-al-'Aziz 'Amir as secretary.

The team of lawyers who conducted the defense in this case was under the leadership of Dr Muhammad 'Asfur, member of the higher committee of the

Socialist Labor Party, and [included] Ibrahim Faraj and the late 'Abd-al-Fattah Hasan, the vice chairmen of the New Wafd Party, Dr Nu'man Jum'ah, the assistant secretary general, Dr 'Abd-al-Hamid Hashish, Hamid al-Azhawi, and Muhammad Fahim Amin, members of the higher council of the New Wafd.

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## PARTY LEADER DISCUSSES GOVERNMENT RESPONSIBILITY FOR CORRUPTION

Cairo AL-SHA'B in Arabic 1 Nov 83 p 9

[Article by Muhammad 'Asfur: "Nationalistic Thoughts on the Issue of Corruption: Do the Authorities in Egypt Alone Bear the Responsibility for Corruption?"]

[Text] Group Corruption and Government Corruption

No heavily burdened person can ignore the presence of corruption in our society. All he can argue about is the meaning, nature, and magnitude of corruption and the degree to which it is feasible to cope with it. For this reason, it is necessary, in talking about the phenomenon of corruption, for us to begin with a definition of corruption and to determine its sources, preparatory to defining the responsibility for its occurrence.

It must be clear from the beginning that by corruption we mean aberrant behavior in social and political conduct whose forms have an effect on the group and the government. For that reason we cannot expand the definition of corruption to include personal or individual matters which have no weight or gravity. In addition, we must not narrow its scope and define it as a phenomenon to a degree which might lead one to believe that the purpose in this definition is to detract from political adversaries or pursue a purely propagandistic policy, which is not serious about fighting corruption.

As regards the nature of corruption, if we reflect on all its forms we will see that they are of two origins: corruption which afflicts the group or the society, and corruption which afflicts the government or the ruling powers.

With respect to corruption which afflicts the society, that is corruption which afflicts the social structure, is separate from power and harms social relations between the individual and the society on the one hand and relations among individuals. It is this corruption which afflicts both the values and conduct of the group.

As for corruption which afflicts the government, that is corruption in governance, administration, or the management of political affairs. This corruption might assume different forms, but in all its forms and all its

degrees it is corruption among the authorities, in the exercise, conduct and behavior of the authorities, and is corruption of many forms, whose manifestations range from tyranny and repression to exploitation, bribery, trafficking in power, laxity and grave neglect.

In spite of this obvious distinction between the two types of corruption which afflict the government and the society, it is impossible to draw a line between them and ignore their mutual influence.

It is true that corruption which afflicts the government might not influence the society, and that corruption in society might not engender repercussions in the government that rules it. However, this notion is purely theoretical, because the mutual influence of the two types of corruption is inevitable, although this influence might vary as crises and societies vary.

It may seem, at the outset, that the contagion of the corruption that afflicts the government will not be transferred to the society, as long as the government revolves in the universe of power and there is nothing corresponding to the ailments and plagues of power in the environment of the group and the beliefs of the individuals in it, who are removed from power. However, if one contemplates the long-term effects of the ruling authorities on the lives of the groups, that will show the extent of the harm that these groups suffer from the conduct of corrupt authorities.

In another area, it may appear that the corruption which afflicts the society has no effect on the government, but the fact is that much of the corruption that afflicts the government might be an extension or an effect of the corruption in the society itself. If we consider that the society generally chooses its own government, it is natural or axiomatic that the government will reflect the society which has chosen it, in its virtue or its corruption. However, this does not prevent the government from not being a picture of the society or of corruption, on some occasions, since power might be assumed by someone who rises above this corruption and wants to strike out at it. Thus there is a firm bond between the corruption of the group and the corruption of the government -- indeed, it might be inevitable, in close-knit groups, that the corruption of the government could lead to their collapse. Indeed, the stability of ancient and modern history confirms that one goal of corrupt authorities could be to set out a plan to corrupt the society, although they do not openly declare this plan, contenting themselves with imposing their degenerate values on the group or ignoring the aberrant acts which afflict the conduct of the society in its dealings with the government, in order to provide a justification for their own corruption.

In the light of the distinction between the corruption of the government and the corruption of the society, accepting the mutual influence of the two types of corruption, how can we explain the phenomenon of corruption in Egypt?

## Monopolization of Power in Egypt

Although there is usually a connection between the corruption of the group and the corruption of the government in a manner which makes one of the two a source of the other, or puts it in competition with it, the conspicuous phenomenon in the life of the people of Egypt is that the corruption of the government was always the source of the corruption of the group. I claim, indeed I believe, that power has been concealed from and setbacks have befallen no people like the Egyptian people, because of the corruption the authorities have spread through their life, and their deliberate smashing of the scale of lofty values which the people embraced over many centuries, smashing as a consequence the personality of the Egyptian people through intimidation, bribery, or deception and, as a consequence of that, smashing Egyptian society. The aberrance and corruption of the authorities are responsible for most of the forms of degradation and for the exercise of intimidation, or more precisely state terror, in a planned military manner which we have witnessed which have prompted Egyptians to act hypocritically, dissemble, or flee and live in exile.

The ties of loyalty or affiliation have been ruptured with the adoption of the principle that the trustworthy are more deserving than the competent and that the satisfied authority of the government can be generous and reward those who are prostrate, as if the positions of the government and the resources of the society were booty to be distributed among marauders.

The incentive to work, produce or exercise individual judgment has disappeared in the context of the regime, which bestows the loftiest positions on close friends and rains bounties on them in accordance with their personal loyalty to the ruler, creating an entourage of benefit-seeking hypocrites with weak personal spirits in whom the ruler finds not honor, purpose or wisdom of opinion, but rather a series of people extolling his glory and glorifying his grandeur.

Aren't the shameful forms a result of the deprecation of the authorities in Egypt, which has led to this severe disruption between the happiness of the society and the firmness of the ruler's tyrannical power? The amazing discrepancy between the weakness and deterioration of the Egyptian group and the tyranny of the power of the ruler and his injustice has led to the collapse of the masses' resistance to the ruler's excesses and aberrant acts, and indeed the embracing of these aberrant acts, as if they were values and rules of upright social conduct.

Vanity has imposed on some rulers a false concern that their rule is capable of remaking mankind. That is nothing but one of the new forms of self-deification which greatly exceeds in its propaganda all the demands of the pharaohs, which were restricted to merely sanctifying the ruler, the son of God, and did not think about assuming the authority of an organization which creates, innovates, forms and formulates.

The explanation for the tragedy of the constant deterioration of the Egyptian personality is that the government or the authorities, throughout history, have hidden and repressed the people of Egypt. The government was

not just a political framework, embodiment, transmogrification or representation of the sovereign nation. It was the Egyptian government or the ruler that was the true Egyptian who exercised his sovereignty, not the sovereignty of the people. Therefore, the people, throughout their history, did not participate in determining their own seminal affairs; rather, their ruler alone made the seminal decisions. How often were these decisions reckless ones!

Although the forms of corruption all represented aberrance in social and political behavior, in a manner affecting the group and the government together, it is to be noticed, in Egypt specifically, that most of the forms of corruption are aberrant acts in the conduct of the ruling authorities or are at least engendered by this aberrant conduct. That may be explained by the fact that it has been the ruling authorities, since the birth of the Egyptian nation in the era of the pharaohs, who had absolute dominance over the lives of people, and the people lived most of their life on the margin of political life, or, more accurately, outside the political arena, taking part in no way with genuine representatives or even being given the role of accomplices. Rather, they were content to sit for a number of centuries in the chairs of observers, and, because of this situation, the authorities in Egypt were a source of corruption and an instrument spreading about corruption. In order to understand this fact, they of course resorted, on some occasions, to a sort of ventilation, embodied in the open show of combatting corruptio. For example:

In confronting unlawful enrichment on the part of the people who had assumed power, the ludicrous application of the laws on unlawful gain was restricted to minor officials, and the pirates at the peak of the government system were left alone. This is normal in absolute systems of government, where the net of the law is broad enough for small fish, but is not meant to catch whales.

In confronting the aberrant conduct of the authorities and committing aggression against the freedoms of citizens and the sovereignty of the people, the regime innovated what it called the crime of corrupting political life, but the regime had no intention of fighting political corruption in its real sense; rather, it concentrated its attention on a single form of corruption whose intention in reality was only to prosecute its political adversaries and remove them from political life. It was as if all the manifestations of deterioration in Egypt could be attributed to the conduct of persons who held power in a period prior to July 1952, while the corruption that became rampant and threatened our identity was in essence and in our history corruption which the government had planted, undertaken to look after, and indeed used on some occasions to realize its goals.

In the light of the foregoing facts, it is necessary that we specify a proper platform for confronting corruption, and not allow the claims of propaganda and appearances to dominate our thinking or our conduct, and be satisfied with the solutions that have been set out and the agencies which have been established, which, [with] their government, are unable to stand up to the aberrance of rapacious or absolute authorities.

## LEFTIST MAGAZINE REVIEWS PRESS CONTROLS UNDER 'ABD-AL-NASIR

Cairo ROSE AL-YUSUF in Arabic No 1890, 31 Oct 83 pp 17, 18, 54

[Article by 'Abdallah Imam: "'Abd-al-Nasir and the Memory of Journalists! Nationalization Did Not Penalize the Press"']

[Text] The greatest testimony to the press of the sixties is the press of the seventies.

The press of the seventies rained attacks, criticism, indeed defamation on the preceding period, as if the only freedom granted was that of attacking the past and distorting it, besides inundating the reader with illusions of prosperity and dreams of 2000!

The same people who led these attacks were the the journalists of the sixties; they were writing, and their pens were not restricted or locked up. Perhaps they were among the greatest supporters and the people who applauded most intensely with enthusiasm. The files also have a memory, and it has not gone wrong; it has not imagined that people have forgotten or that their memories have become afflicted with old age!

What we can assert is that the press of the sixties, in its expression, was a reflection of the alliance of the working forces of the people, the single political organization, which presented every political tendency. The press also contained all political tendencies, and all these political tendencies faced equal opportunities for expression, within the limits of the existing political system!

Objective, impartial study will refute the claim that marxists dominated the press of the sixties.

Mustafa Amin, Ihsan 'Abd-al-Qaddus and Muhammad Hasanayn Haykal were responsible for the management of AL-AKHBAR; the period of responsibility of Mahmud al-'Alim the marxist and Khalid Muhyi-al-Din did not exceed 1 year. Muhammad Hasanayn Haykal continued to be responsible for the al-Ahram Organization until after the October 1973 war.

Fikri Abazah, Ahmad Baha'-al-Din and 'Ali Amin were in charge of al-Hilal house, and Kamal al-Hinnawi, Mustafa Bahjat Badawi and Fathi Ghanim were in charge of al-Tahrir House.

At ROSE AL-YUSUF there were Ihsan 'Abd-al-Qaddus, Ahmad Fu'ad, Ahmad Baha'-al-Din and Kamil Zuhayri. The editors in chief at AL-AKHBAR were Musa Sabri, Jalal al-Hamanisi, and Zaki 'Abd-al-Qadir after Mustafa Amin was removed following his arrest in a case which had nothing to do with the press!

#### Nationalization Was Not a Punishment

A year before the regulation of the press and the transfer of its ownership from private hands to the National Union, 'Abd-al-Nasir directed severe criticism against the press, which did not reflect the community of workers but spoke, rather, about the community of people who were idle through inheritance, society ladies and ladies of fashion. He said that there was a new society, and where, in the press of Egypt, were the women who went out to work in the morning and faced the problems and difficulties of workers in the factories, the peasants in Kafr al-Battikh? A year after that talk:

The decree was issued organizing the press by transferring ownership in it to the National Union, then the Socialist Union. The philosophy behind that was the statement Jamal 'Abd-al-Nasir had made, that the freedom to criticize had been lost, not just by the issuance of restrictive laws but also by the nature of mechanical progress in the journalistic profession, and that its increasing need for modern equipment and tremendous amounts of paper had made this profession shift from a process of opinion to a complex capitalistic one.

"The press was able to survive only through the support of the parties or exploitative capital which owned advertising through its ownership of industry and trade. Therefore, it was now in its power only to subject itself to the management of exploitative capital, and from it, not from the masses of the people, receive its inspiration and its political and social orientations."

The transfer of ownership of the press to the people, represented by the political organization which contained all the groups of the people, was, in 'Abd-al-Nasir's opinion, a guarantee of freedom of speech and the liberation of speech to perform its role in service of the members of the new society, within the limits of the commitment to the documents the people had approved, which were a platform by which the society would proceed. Therefore, 'Abd-al-Nasir considered that the regulation of the press was a necessity.

It appears that that is true, in its reflections not only on the freedom of the journalist but also on the insurance of his livelihood and the guarantee of the stability of that livelihood, which we can sense today, to the point where officials and employees in the party newspapers, who are attacking the decrees on "the nationalization of the papers" today, have refused to leave their stable jobs in the "nationalized" papers but have taken leaves from them, because the security and stability of the journalists is their families, and they have seen that that is best guaranteed in the context of their

membership in the press which they are attacking, although the issue of the ownership of papers now, in the context of the system of a number of parties, still needs discussion and review!

"Nationalization" was not a penalty for the press, just as it was not a penalty for capital which had acted aberrantly: the transfer of these instruments to the people had objectives and a significance which were much greater than the notion of punishment.

#### Criticism, and the Responsibility of the Written Word

At the production conference held on 18 March 1968, where President Jamal 'Abd-al-Nasir met with the leadership of the public sector, one company head stood up and attacked the press for criticizing the public sector and paralyzing the actions of managers.

He demanded that the president intervene to protect the public sector and its leadership from the pens of the journalists. 'Abd-al-Nasir replied to him by stating, "The people who speak about the public sector feel that the people are truly responsible for this public sector and truly have the right to criticize it. As for the private sector, they do not have the right to criticize it, and they are not interested in criticizing it." He asked the journalists to be kind to the fledgling public sector, then spoke about aberrant conduct in the public sector which had been reported in the papers, stating, "I cannot say at all that the press should not write. The press should write. But I do say that we will confront the person in charge of the paper, and the person in charge of the magazine, that writes something that it cannot prove. If any magazine or newspaper writes about aberrant conduct we will bring in the paper or the magazine and I will write to the chairman of the higher committee of state censorship as to whether the paper is correct, in which case the official will be rebuked, or whether the official is correct and the paper is wrong, in which case it is the official in the paper that we will rebuke. I cannot say that we should not write, that we should not speak. We want to be generous."

#### No Protection for Aberrance

When I asked Mr 'Abd-al-Qadir 'Abd-al-Wahhab, the vice chairman of the Administrative Surveillance Authority, about the rate of inquiries on aberrant conduct on which the press had shed light, he told me, "The Administrative Surveillance [Authority] monitored and investigated all the aberrant conduct that the press reported on and sent the results of its research and study to the officials.

"I can state that there was no protection for anyone who acted aberrantly. The rate of inquiries was very high. I might mention that Mr Kamal al-'Izz, the chairman of the Administrative Surveillance Authority in the sixties, when I was in charge of journalistic investigation in ROSE AL-YUSUF, told me 'We find rich material in ROSE AL-YUSUF's investigations, in our pursuit of aberrant conduct and aberrant persons.'"

When I asked him about the rate of inquiries among officials regarding the disclosures that had been made as a result of the investigations Administrative Surveillance had made, he told me,

"In those that are proved to be correct, immediate measures are taken against the aberrant parties.

"We do not protect anyone. Nor is it in the interests of the government to protect anyone in cases of aberrance. That was part of the process of the serious work of carrying out the first 5-year plan." I returned from the meeting with Kamal al-'Izz affected by what the written word in ROSE AL-YUSUF had brought about, and wrote that out in full in the following issue of the magazine.

#### A Collective Lesson on the Press of the Sixties

Dr Layla 'Abd-al-Majid, an instructor at the Media Faculty, published a book this week which is a summary of her scholarly study of freedom of the press in Egypt between legislation and application from 1952 to 1974. In the book, regarding the period of the sixties, she said, in these exact words (page 77):

"At that time the press was affected, in the issues and subjects it dealt with, by the development this period had witnessed in the political, social and economic system. It discussed the form of the political system and the new people's political organization which had taken the place of the National Union, that is, the Socialist Union, and the fact that it was based on the alliance of the working forces of the people. It opened its pages to discussions in the National Conference of Popular Powers which discussed the draft national charter. In that context, the press enjoyed full freedom to publish all opinions in support and opposition, especially regarding the points raised on political dismissals, which had corrupted political life, and the people included in sequestration lists, who had been arrested at some time after the revolution, with the pursuit of political and electoral rights suspended for a period of 10 years in the case of the persons arrested.

"It also addressed itself to the July socialist decrees, on grounds that they were the turning point toward the socialist solution, and discussed the meaning of socialism, whether it was scientific, democratic or new socialism. A discussion took place on whether there was Arab socialism or an Arab road to socialism.

"The newspapers paved the way for the discussion of the issues of the application of socialism, the problems of the public sector, the role of the private sector as the National Charter defined it, and the developments which had taken place in the legislation and the laws.

"The papers followed up on the Arab nationalist current of the political regime, and in doing so reached the point of vituperation and the casting of doubts.



"The press also reflected the political authorities' orientation toward the policy of nonalignment, support for national liberation movements, and attacks on colonialism and imperialism."

Dr Layla 'Abd-al-Majid says in her study that "The changes in the political system were reflected in changes in the content and purpose of criticism. It was not permitted to direct criticism at the bases of the political regime, which was founded on a single mass political organization based on the alliance of the working forces of the people, or at the policy of nonalignment or support for national liberation movements and the appeal for Arab nationalism, though it was permitted to direct criticism at the exercise of political action, for instance, in the light of commitment to the National Charter.

"In addition, it was not permitted to direct criticism at the social system which was founded on the dissolution of differences among classes or at the transition to socialism, or to reject the public sector, though the problems of the application of socialism and bureaucratic obstacles could be discussed.

"Therefore there were a number of rules on press practices which were determined by the official view, and the journalists grasped these, or at least had to do so. These were:

"One could not discuss the fact that Jamal 'Abd-al-Nasir was the leader of the revolution and that the July revolution was a revolution which began as a military coup then turned into a revolution with a progressive approach, or an approach which sought progress and change.

"Diverse views could be held and there could be differences among them, with differences in theories, provided that that did not entail a clash with the basic principles of the regime, including positive neutrality, nonalignment, Arab nationalism, and the fact that the liberal system of economics and politics in its traditional sense was an experiment which had demonstrated its failure in Egypt and that the country itself had to be developed in accordance with a new experiment.

"Commitment to the National Charter.

"The organizations of the Socialist Union gave every member the right to express criticism which would result in raising the level of the organizations, including the press. In addition the Socialist Union could withdraw the membership of any member working in the press, thus bringing about censorship by the power of the people.

"It was permitted to direct criticism against some officials sometimes on some matters, but this sort of criticism against other officials, on more critical matters, was dangerous and something that would not be forgiven. That is, there was an area which the press could not approach in publication, and that was a specific area with specific persons and specific subjects!"

We might differ with Dr Layla 'Abd-al-Majid over some of the conclusions she has reached, but in any event we respect her documented scholarly study and respect the opinions in it, some of which require discussion!

The Past, Present and Future

Finally:

This is not the last word on the press in the sixties.

There were mistakes and negative points. There also were many positive points. The issue requires a study that is thought through carefully, objective and stripped of personal feelings. In order for us to set out for the horizons of the future in sure strides, we must study the past honestly, look at the present with conviction, and aspire to the future carefully!

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CSO: 4504/92

## REPORTING ON NDP CONFERENCES IN ASWAN, IDFU

Cairo MAYU in Arabic 31 Oct 83 p 3

[Article by Muhammad 'Abd-al-Ghaffar: "Two NDP Expanded Political Conferences in Aswan and Idfu"]

[Text] The National Democratic Party [NDP] held an expanded popular conference at the cultural palace center in Aswan on 23 October 1983 which was attended by: Maj Gen Ahmad Shawqi al-Mutabanni, governor of Aswan; Dr Muhammad 'Abdallah al-Maghribi, party secretary general in Aswan Governorate; Mr Ahmad 'Abd-al-'Al, chairman of Aswan Governorate local popular council; Mr Muhammad al-'Uqayli, chairman of the party's Aswan parliamentary group; members of the governorate's Popular Assembly and the Shura Council; and popular, executive and party leaders, as well as over 2,000 citizens.

Mr 'Abd-al-'Azim Fadl, party secretary for Aswan district, opened the conference with a welcoming speech in which he thanked the conventioners. He was followed by Mr Ahmad 'Abd-al-'Al, chairman of the governorate's local Popular Council, who dealt with the establishment of an active and efficacious national party and an executive apparatus able to achieve progress and instill leadership faith in the leaders' ideas.

Governorate party secretary general Mr Muhammad 'Abdallah al-Maghribi delivered a speech praising the existing cooperation between the executive and political apparatuses which has resulted in the realization of many accomplishments and the containment of numerous problems.

Aswan Governor Staff Maj Gen Ahmad Shawqi al-Mutabanni said in his speech that "the building of a modern Egypt requires effort, sweat, loyalty and giving, all of which are available on Aswan soil. It was on this soil that we resolved to build modern Aswan with all its activities so that it may attain the appropriate standard. Every citizen in Aswan is fulfilling his duty in building and construction."

About the method of cooperation between the party and local councils, the governor mentioned that problems must be debated in party committees first so that every citizen may exercise his natural right of self expression, and then referred, after study, to corresponding committees in local popular councils at the various levels.

Minister Mukhtar Hasan Hani began his talk at the conference by conveying greetings from President Muhammad Husni Mubarak, party president, and from Dr Fu'ad Muhyi-al-Din, party secretary general, to the party masses in Aswan Governorate. Then his excellency spoke about democratic practice, pointing out that the democratic practices we are presently enjoying under the multi-party system guarantees freedom of views and counter-views to a greater extent than the [past] monolithic system necessitated by a certain phase in Egypt's history. Likewise, the democratic practice we are currently enjoying outshines what is taking place in other countries around us. In Egypt, anyone with something to say may express his opinion openly and freely, and Egypt has an opposition press free to publish anything it wishes 3 days a week without objection from anyone, even though it often oversteps the truth and its leaders do not adhere, in their conferences and meetings, to accuracy and objectivity. All this notwithstanding, we always welcome the other view in our belief that this is necessary for the success of democratic practice. Despite all this, not one decision has been issued ordering the closing down of a newspaper or the banning of a conference.

### Proportional Slates

The minister alluded to the assault by some on the proportional slate system, saying that "the opposition came out in its press for the system of party slates by a proportional majority, but when we went in that direction, it poured forth its wrath on it. The truth is that we only thought of this system to deal with a defect we sensed in the individual electoral system whereby a candidate getting 50 percent of the vote plus one vote wins the election while the rest of the votes are invalidated and not represented by anyone.

"By stipulating that a party must get 8 percent of the total vote, the law intended that only parties with a mass base shall have the honor of People's Assembly representation. The least anyone can imagine for such a base is that a party wins 8 out of every 100 votes. If we say that Egypt has 12 million voters and that the average turn-out is around 50 percent, that is, 6 million voters, it means that to be represented in the People's Assembly a party must get 480,000 votes nationwide, a very modest figure.

"What is surprising, perhaps, is that the opposition used to emphasize in its newspapers, interviews, meetings and conferences that the people were turning away from the National Party to rally around it. But as soon as this law was issued incorporating this modest percentage, it went into a rage."

### Change

About change, the minister said: "We have been hearing for a while the opposition demanding change. What kind of change does it mean? Is it change in personalities or a change in policies? If a change in personalities is intended, President Muhammad Husni Mubarak has replied more than once that he does not accept change for the sake of change and that he does not hesitate to effect change if warranted. With regard to policies, the NDP government declared its policy based, domestically, on the principle of developmental

planning. We are very confident that it is the ideal policy for getting Egypt to the point every loyal citizen aspires to. The opposition has not offered an alternate policy that achieves for Egypt more than the policy of the NDP."

#### Problems of the Masses

The minister mentioned how some people take advantage of and capitalize on people's problems and sufferings, saying that we face numerous problems in various fields which we are tackling with solutions based on well-considered scientific planning.

The minister then said that some are claiming that the party government has begun to turn the other way with regard to corruption, and reaffirmed that the government's policy "is to go after corruption wherever it may be found and to throw the book at the corrupt. The government will not hesitate for a moment to apply this policy, for it believes that purity and integrity are the basis of rule and the foundation on which the welfare of this great people rests."

The minister also said that Egypt would not have been able to carry out the [October 1973 War] "crossing" decision had the army not attained a high degree of training and armament, and that the army would not have been able to accomplish such a degree [of success] under the tutelage of Soviet advisors who, due to the sagacity and acumen of the late president, had to leave in July, 1972, thus making it possible to build up the army and diversify its sources of armament so that it was able, thanks to God and its heroes, to blot out the disgrace of the whole Arab nation by crossing the canal and shattering the mythical Bar Lev Line.

#### Economic Open-Door Policy

Minister Mukhtar Hani said some people claim that the economic open-door policy has hurt Egypt, but it seems they have forgotten that this policy was the first key that freed Egypt's economy from the restrictions of a closed, controlled economy. It opened Egypt to the outside world and made it possible to utilize Arab and foreign capital in developmental investments and to import modern technology for industrial and agricultural development to the benefit of the higher goal: over-all development in the interest of the people.

The minister said he wanted to point out that "through the open-door policy, 361 investment projects, valued at 1.7 million pounds and providing 147,000 jobs, were established. We do not deny that some excesses occurred in the application of the open-door policy when some turned to consumer goods. To rectify this situation, President Muhammad Husni Mubarak announced the minute he assumed power that the open-door policy was for production, not consumption, and this helps to achieve development objectives."

The minister confirmed that our economy is strong now as Egypt is getting every encouragement and support from developed American and European nations--

a testimony to their confidence in Egypt's economy--and that the IMF no longer has any objections to granting loans to Egypt as it once had.

Regarding the questions raised by some that the salary-general revenue ratio is on the decline, the minister said that figures present a completely different view. In the 1982-83 budget, salaries amounted to more than 2 billion pounds, compared to 1.57 billion in 1979. Moreover, the party government is committed to providing employment for all graduates every year. As for salaries not keeping up with prices, lower prices can only be achieved through increased production whereby supply exceeds demand. This can only be accomplished by linking salaries to production. This is what government has been trying to do by providing incentives for higher production.

#### The 5-Year Plan

The minister said that some claim that the 5-year plan does not have clear objectives and has only accomplished some marginal objectives. The truth is to the contrary. The plan was submitted to the party's general conference in September, 1982, and its objectives are clear and well-defined. They are:

- Higher production and higher production efficiency.
- Procurement of food, clothing and shelter at prices suitable for limited-income families.
- Raising export and curtailing imports.
- Constructing integrated residential communities to lighten the tremendous burdens on existing cities.
- Achieving integration between Egypt and Sudan.

About the plan's actual first year accomplishments, the minister said that the plan surpassed expectations in some fields, including industry, agriculture, electric power, construction, commerce and public utilities, but fell short of expectations in other sectors where special circumstances hindered achieving set objectives. One such sector was the petroleum sector which achieved only 89 percent of its goals due to lower world oil prices.

There is no need to provide proof of these accomplishments as they are tangible to citizens throughout the country.

#### Integration

The minister said that "some blame Egypt for tending toward integration with Sudan, forgetting or being oblivious to the fact that by integration, Egypt gives expression to the heartbeat of the Nile masses, from the northernmost tip of Egypt to the southernmost tip of Sudan. We shall never forget what we used to advocate as students regarding the necessity of realizing unity between Egypt and Sudan. Indisputably, such a unity must be accomplished in a gradual, scientific manner, and integration between Egypt and Sudan is the essential step for attaining unity."

The day following the Aswan conference, Mukhtar Hani, Minister of State for People's Assembly and Shura Council Affairs and the official in charge of

following up NDP activities in Upper Egypt, met with people from Idfu district during the expanded political conference held at the industrial high school and attended by Dr 'Abdallah al-Maghribi, governor of Aswan; Maj Gen Ahmad Shawqi al-Mutabanni, governor of Aswan; and People's Assembly members, popular, executive and political leaders, and NDP multitudes in the Idfu district.

Ahmad Muhammad 'Abd-al-'Azim, NDP secretary in Idfu, spoke at the conference, saying: "Idfu is the National Party fortress in Aswan, and no other party has any activity in the land of Idfu. This confirms our faith in the National Party and its leaders. The political leadership did well in nominating candidates for local council elections. The nomination process was satisfactory to all: those who were nominated and those who were not so lucky. Although it was a difficult choice, we did not lose sight of the necessity to have clean and virtuous elements. Everyone rose to the occasion and the nomination process went without a hitch, a confirmation of the National Party's success and commitment."

The party secretary put to Minister Mukhtar Hani some questions that have been on people's minds. They were [concerning] the Lebanese civil war, the positions of the Syrians and Lebanese, Egypt's attitude and stance toward stopping bloodshed in Lebanon.

#### There Are No Rival Parties

Sa'd Bashir, People's Assembly member from Idfu district, spoke, underscoring the fact that all Idfu citizens are members in the National Party and that there are no rival parties, as indicated by the results of the Shura Council elections in which 95 percent of voters, the highest percentage in the land, supported the NDP. This attests to the National Party's popularity in Idfu and to faith in party leaders.

As proof, when Khalid Muhyi-al-Din, secretary general of the Grouping Party, asked the people to intercede with officials in Cairo to ban [as published] the Grouping Party conference in Idfu, and I contacted NDP and government officials, their reply was that they believed in democracy, and they asked that the conference be held. They told me literally: "Our thinking is to face reason with reason and viewpoints with viewpoints."

"We the people of Idfu responded to NDP approval and Khalid Muhyi-al-Din came to Idfu but did not find anyone. He was met by a mere 30 citizens, some of them not Grouping Party members, who only extended to him traditional hospitality. When he did not find anyone, he went to the mosque for the midday prayer hoping to meet someone, but the people left after the prayer. He had no choice but to go to the homes of those 30 students who had met him. This is clear and practical proof that the National Party is the party of the absolute and only majority in Idfu because we are a party based on action and values."

Then Muhammad al-Munir Tayi', chairman of the Idfu local council and secretary of the National Party, talked about the government's accomplishments. He said that 5 industrial and business high schools and elementary schools have been

built and 500,000 pounds have been allocated for school renovations. Furthermore, the largest automated mill in the Middle East has been built in the village of al-Nazal, Idfu district, to service Upper Egypt's southern region, and telephone and food services have been made available. In addition, district youth centers have been developed, and the Idfu-Central Hospital has been modernized and an operating room added. Also, the first new village has been built in al-'Uqaybah which was threatened by a mountain slide, and construction of 450 housing units has been approved with financing from the Housing and Construction Bank to solve the housing problem in Idfu, in addition to the construction of a new technical training institute.

#### Egypt Is Living Its Most Beautiful Days

Ahmad Murtada, youth secretary in Idfu district, followed with a speech saluting the memory of former president Jamal 'Abd-al-Nasir, leader of the July revolution, and the great martyr, former president Anwar al-Sadat, "whose history and struggle will always guarantee him a place on top, for he is the founder of the 'political clarity' school." He declared, in the name of the youth, support for President Mubarak, founder of the "purity and integrity" school.

Dr 'Abdallah al-Maghribi, NDP secretary in Aswan Governorate, said that "Egypt is living today its most beautiful democratic days under the multi-party system. The National Party is making it possible for the opposition to speak out freely through its press. Today, the Governorate of Aswan is proud of accomplishments realized on Idfu soil."

#### AL-AHALI Lies

AL-AHALI newspaper, mouthpiece of the Grouping Party, said its conference held in Aswan was attended by 2,500 citizens. Where are all these supporters in Aswan? The movie theatre, where the conference was held, holds only 500 persons--the owner claims 500 seats for tax purposes. How can a place big enough for only 500 suddenly hold 2,500? This is contrary to the truth. Besides, the movie theatre was not even full at the time of the conference which was attended by no more than 300 persons.

#### People Follow Up Implementation

Maj Gen Ahmad Shawqi al-Mutabanni, governor of Aswan, said: "Talk in Idfu is that of hope because the people of Idfu are known for their absolute earnestness. Hence, I ask you to give more for Idfu's sake; Idfu, this great name, because we have in this ancient city many projects and works that must be finished as soon as possible.

#### Three Egyptian Pounds for a Kilo of Wheat

The governor then announced that "83-84 will witness actual implementation of the Idfu drainage project and other water projects, in addition to the Wadi al-Sa'ayidah project and wells have been drilled for 13,000 feddans of sugar cane. We succeeded in lowering the price of meat to 3.5 pounds for



one kilo and are now supplying fodder to promote meat production. Our plan is to lower the price of meat to 3 pounds per kilo, in addition to governorate projects for raising cattle."

Then Mukhtar Hani, Minister of State for People's Assembly and Shura Council Affairs, spoke: "The NDP is a mass party that deeply believes in democracy which it works to support. It calls for following the right path in its practices by objective and constructive dialogue and by facing reason with reason and shunning defamation and slander." He dealt with the process of nominating local council candidates, saying: "Specific rules were set and observed by the candidate nomination committee. The first rule was to hold on, whenever possible, to old members and fill additional seats with young blood in order to give young people a chance to lead and create second and third lines. I was happy to hear that the number of young members in local councils exceeded the set rate in Aswan and that obstacles facing various committees in the nomination process were very few, not exceeding 5 percent. We had to choose some candidates over others. Traditions in this region dictated non-nomination of some local council members, but this is no reflection on them. Some of them will be steered to appropriate positions in party leaderships, as soon as the said leaderships and party organizations are fully formed by the end of this year. I would like to reiterate that the resolution concerning local councils was issued after due consideration, and that the party viewpoint is the basis for all resolutions concerning local councils.

"The NDP's faith in democracy does not lose sight of a basic goal: realization of true democracy."

#### We Do Not Oppose Formation of Parties

The minister said that some people accuse the NDP of obstructing the formation of new parties. This is against the law, based on Paragraph 2 of Article V of the constitution, stipulating that political parties must be regulated by law, and containing just enough rules and regulations to guarantee society's safety and security. One regulation stipulates that political parties may not be formed on confessional or military bases because that would lead us to the same fate as Lebanon. Another regulation provides that party programs must include safeguards for basic social values earnestly confirmed and protected by the constitution.

"Whereas the parties' law provides that an application, including the program of the party-to-be, be submitted to the parties' committee, this committee is composed of elements including former members of the judiciary known for their impartiality. Even if the committee were to disapprove the establishment of a party, founders have the legal right to appeal to the Supreme Administrative Court, a judicial body beyond suspicion. The National Party government will not oppose judicial judgments because it believes in the sovereignty of the law, as confirmed by precedent regarding al-Ummah Party."

He then proceeded to answer questions about foreign policy, emphasizing Egypt's commitment to its Arab responsibilities and confirming that President

Mubarak's visits [abroad] underscored Egypt's authentic Arab countenance. He said that Egypt was the first to predict events in Lebanon, and is still demanding the withdrawal of all foreign forces from that country and the continuation of the Lebanese dialogue aimed at restoring peace. He reaffirmed that Egypt remains firm in its position toward the Palestinian cause [last line illegible].

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CSO: 4504/49

## REPORT ON NDP CONFERENCE IN AL-SAHIL DISTRICT

Cairo MAYU in Arabic 31 Oct 83 p 3

[Article by Sana' al-Tabalah: "National Party Popular Conference in al-Sahil District; Muhammad Rashwan: 'Everytime Other Parties Distribute Pamphlets, I am Convinced Our Party is Rising'; 'Abd-al-Latif Baltiyah: 'We Shall Not Allow Infiltrators to Penetrate Our Ranks''"]

[Text] As part of the series of popular conferences being held by the NDP in Cairo, Muhammad Rashwan, Minister of State for People's Assembly and Shura Council Affairs and city mayor, Minister 'Abd-al-Latif Baltiyah, president of the local council in Cairo, and Mahmud Fahmi, [NDP] organization secretary in Cairo, witnessed a large popular conference attended by over 2,000 NDP members and large crowds from al-Sahil District at Shubra Secondary School.

'Abd-al-Latif Baltiyah, president of the local council of Cairo Governorate, opened the meeting by saying: "We are meeting today to emphasize and assume our responsibilities before history. Is the NDP the party of the majority and does it strive with all its various leaderships and localities for citizens comfort and happiness in order to be a loud, resonant voice? Are NDP leaders ready to assume their historic responsibilities and to confirm that al-Sahil people and the masses all belong to the NDP and acknowledge it as the party of the majority?"

"Biased persons are trying to penetrate your ranks. Skeptics are trying to infiltrate you by rumors, publications and writings, the strongest and most dangerous of which raise doubts that some National Party leaders give their blessings to the al-Ummah Party candidates. Therefore, I come here to say to you that I took part in viewpoints, consultations and efforts in selecting the leaders of the al-Sahil precinct and that when we took up al-Sahil's case, we were uncertain because every candidate was suitable to be a local leader and a local council representative. Any candidates we settle on from among all these names, who are equal in their patriotism, loyalty and purity, will be supported by all.

"It is logical for us to meet, consult and make efforts to chose from among the best of this small group of National Party leaders only to give our blessings to another party, no matter who or where it may be?"

He reaffirmed that "we shall not allow any infiltrators to penetrate our ranks, we shall not let any saboteurs encroach on our unity, and we shall not permit any skeptics to divide us. You all are of the same heart. It is not the cause of one or more individuals and it is not the cause of the 23 individuals. Rather, it is the cause of the National Party, the majority party that assumes responsibility and is not influenced by lies and rumors because it is like a rock. We do not just want the NDP to win, but we also want to know how big it is in al-Sahil. We want to know how big Husni Mubarak's party is."

Mahmud Rashwan, Minister for People's Assembly and Shura Council Affairs and mayor of Cairo, talked about the pamphlet game. He said: "This game being played by other parties, that is, distribution of pamphlets, I feel more assured whenever pamphlets are distributed because I become convinced that our stock is going up. If the other parties were strong, they would not be putting out pamphlets. The strong do not need this because they are sure that the people are on their side."

"With regard to union committee elections, 40 unions held elections without government or police intervention, and the party did not meddle either, at a time when the grouping party [i.e., the NPUG] embarked on a vicious campaign with money and pamphlets. Election results in the 4,000 localities showed that the Labor Party [i.e., the SLP] won one locality and the grouping party won no more than 10 localities."

Minister Rashwan reaffirmed that "we want a clean unprovocative election campaign. We do not wish to burden [public] security with an added responsibility of protecting the domestic front. We want the NDP to set an example in will power, rejection of rumors and adherence to tradition."

Muhyi-al-Din 'Abd-al-Latif, the al-Sahil deputy, says that "Egypt is experiencing the most brilliant of democratic eras. Our party is the guarantor of democracy and there are three opposition newspapers that spread rumors and say whatever they please without oppression from us because, unfortunately, they only repeat rumors and lies with boring frequency, as evidenced by the sharp drop in their circulation. I do not exaggerate when I say that these parties have become newspapers putting out parties and not parties putting out newspapers. They are newspapers whose voices are louder than their parties' voices. We read them and imagine, through the words of their writers, that the whole street is on their side and that the people are rallying around them. Yet, they scream when we ask them for 8 out of 100 men [presumably in the elections] because this is difficult for them."

Mahmud Fahmi 'Abd-al-Baqi, organization secretary, talked about the "rival party and how some self-interested parties move from one locality to another, thinking that people are naive enough to believe these allegations. But we, as a national party, have unalterable and irreplaceable principles, regardless of circumstances and of the way things are."

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CSO: 4504/49

## EGYPTIAN CRAFTSMEN FACE BURDENSOME PROBLEMS

Cairo AL-AHRAM in Arabic 30 Oct 83 p 9

[Article by Dalal al-'Atawi]

[Text] Craftsmen are the broad base of Egyptian national production. Craft industries play a significant and weighty role in the economics of industrialized and developing countries alike, even in the great era of production, because, simply, they realize a tremendous return compared to the limited capital they require.

But craftsmen's problems are piling up. Some are chronic problems with social insurance and training agencies, and others are new problems in the open-door policy era, with customs, taxes, banks and financing agencies.

There are 346 production cooperatives for craftsmen with an economic activity of about 250 million Egyptian pounds. All they got this year to furnish local and imported production requirements was no more than 75 million Egyptian pounds.

When craftsmen turn to banks for loans, they are treated like any other commercial activity, and interest rates on their loans can be as high as 15 percent.

Muhammad Mubarak Rifa'i, deputy minister of local government and head of the industries and production cooperation agency, says:

"The agency has begun to study the most urgent, sensitive and important problems of this sector in an effort to find solutions for them. Foremost is the matter of furnishing raw materials and production requirements to all the various industries and to arrive at standards and specifications by which we can identify craftsmen so as to be able to conduct a census. Such a census is very important in providing lists and data necessary for purposeful scientific planning. The agency has succeeded in providing raw materials and production requirements, and actually participated with the Central Agency for Public Mobilization and Statistics [CAPMAS] in conducting a comprehensive count of craftsmen. Various craft activities were also counted, and 123 crafts were classified into 12 groups. This was the first count of its kind in Egypt.

About 346 basic production cooperatives were set up in the sectors of carpentry, furniture, footwear, leather goods, textiles, ready-made clothing, rugs, carpets, mineral industries, architecture, construction, photography, printing and transportation; then 11 general cooperatives for each sector separately were set up and their activities amounted to more than 250 million pounds.

About the accomplishments of the crafts industry in the various fields of trades during the last 10 years, the agency head says that providing raw materials and production requirements, be it locally or through imports, is one of the main goals that the agency is seeking to achieve, but they must meet needed quantities, deadlines and specifications. Cooperative and craftsmen needs are met annually from local raw materials at a cost of 2.8 million pounds. Imported raw materials cost 2.5 million pounds, in addition to lumber imported at a cost of 70 million pounds. Appropriations earmarked in the agency's budget for investments in the 82-83 budget were about 100,000 pounds which was used to buy three service centers for furniture making and carpentry. These centers were established in Damietta, Asyut and Aswan, in addition to service centers already established in the Red Sea, al-Fayyum, Suhaj, al-Gharbiyah, al-Minufiyah, Kafr al-Shaykh and Qina Governorates.

About providing financing for cooperatives and craftsmen, the head of the craft industries agency confirms that commercial banks are continually contacted for loans to cooperatives and craftsmen with reasonable terms. The Industrial Development Bank and the Nasir Social Bank have offered loans to cooperatives and craftsmen with easy terms.

In the field of domestic marketing, concentration focused on reaching agreement with public sector companies to have a permanent fair and be distribution outlets for cooperative and craftsmen products, to help set up more than 15 special exhibits for production cooperatives, and to look into coordination and cooperation with the Egyptian trade representation and the Egyptian Exports Development Center for promoting Egyptian craft exports and meeting the demands of many companies and importers in Egypt for Egyptian craft goods.

Furthermore, 149,000 Egyptian pounds were included in the agency's 82-83 budget, distributed over 14 governorates, including 24 training centers and production cooperatives for training apprentices in various crafts and vocations.

The number one problem facing craftsmen is financing. They suffer from the problem of obtaining necessary funds from commercial banks which charge 15 percent or more interest on loans which leads to higher prices. As a solution to this problem, the agency head suggests lowering interest rates and treating production cooperatives the same as agricultural cooperatives who get loans from the Agricultural Credit Bank. He also suggests granting craftsmen loans from the Craftsmen Bank at a rate no higher than 6 percent.

The second problem faced by craftsmen is that of customs, represented in non-application of special and decreed exemptions of customs duties on production requirements and raw materials imported by production cooperatives.

It is necessary to draw up a clear policy for customs exemptions that provides protection and guarantees for the various sectors of Egyptian industries, especially raw materials and production requirements, in order to create equal competition between importers and domestic production.

The third problem is that of social insurance. Production cooperatives have been briddled with social insurance. Fines and late payment fees have doubled assessed insurance premiums and have prompted cooperatives not to acknowledge apprentices working in craft workshops.

To solve this problem, craftsmen demand payment of premiums in installments and exemption of apprentices from social insurance so that their training would not be a burden on cooperatives and craftsmen.

There is also the problem of marketing because craftsmen's capabilities cannot support storage [costs] for long periods of time. Marketing helps achieve rapid capital turnover, and this requires distribution outlets, be they government or cooperative, extensive displays of cooperative products in public sector showrooms, and participation in domestic and international fairs as well.

Last comes the problem of training, also faced by craftsmen in Egypt. There is presently a shortage of laborers and artisans, due, perhaps, to ongoing emigration.

To solve this problem, the head of the agency advocates enforcement of a special system providing rewarding training incentives for apprentices and school drop-outs.

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CSO: 4504/49

## SOCIAL WELFARE ROLE FOR MOSQUES CONSIDERED

Cairo AL-AHRAM in Arabic 28 Oct 83 p 13

[Article: "Specialized National Councils Discuss Promotion of Mosques Mission, Role; Establishment of Special Institute for Preparing Propagandists, Guiding Sermon Themes"]

[Text] The Specialized National Councils new session, chaired by Dr Muhammad 'Abd-al-Qadir Hatim, discussed a report on developing the mission of mosques and promoting their role in social welfare. The report was prepared by Minister of State for Endowments Shaykh Ibrahim al-Disuqi and submitted by the social welfare branch. The report dealt with the role and mission of mosques in Islamic society ever since the dawn of Islam and their role in contemporary society in the cultural development process.

Council debates conducted by members of the cultural and information branches and senior theologians ended in several recommendations, the most important of which are:

--To give more attention to the education of imams and propagandists and intensify their training programs, to set up a special institute for propagandists, and engage a committee to plan to raise religious consciousness at the governorate level.

--To guide sermons and religious instruction, as far as themes and standards are concerned, by linking them to social problems. Moreover, try to find realistic solutions to these problems in light of Islamic teachings.

--To establish more offices for Koranic inculcation, treatment centers, celebration centers and nurseries attached to mosques.

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CSO: 4504/49



## VARIOUS PARTIES, THEIR LEADERS EXAMINED

Casablanca LE MESSAGE in French No 13, 11-18 Nov 83 pp 16-19

[Text] Maati Bouabid

Born in Casablanca on 11 November 1927.

After completing his secondary studies consecutively at the College Moulay Youssef in Rabat and the Lycee Lyautey in Casablanca, Bouabid earned his master's degree in law and a degree in private law at the law school in Bordeaux.

He has been a member of political organizations and, in that capacity, actively participated in the struggle waged by the Moroccan people to regain their independence and for the return of the now-deceased King Mohammed V and the royal family. He was admitted to the Casablanca bar and practiced there until 1955.

He was appointed royal prosecutor in Tangiers in June 1956. Subsequently, as a result of the reorganization of the judiciary in August 1957, he was promoted to prosecutor general of the court of appeals of that same city.

From December 1958 to May 1960, Bouabid was minister of labor and social problems.

In the course of his political activities, Maati Bouabid served as first president of the Casablanca Municipal Council after independence and as deputy for that city in the first parliament (1963-1965).

After resuming his legal activities, he served as president of the bar of the economic capital on five occasions, and was three times president of the Moroccan Bar Association and secretary general of the Society of Arab Maghrib Lawyers.

He was appointed minister of justice on 10 October 1977 and remained in that position until appointed prime minister by His Majesty Hassan II on 22 March 1979.

Bouabid announced the creation of the Constitutional Union (UC) on 9 March 1983.

## The Constitutional Union

Presided over by Maati Bouabid, the Constitutional Union is the youngest of 14 Moroccan political groups. Bouabid's party is young in the full meaning of the term: by virtue of its cadres and members as well as its program, which makes it a political party "aware of the aspirations of the people and considerate of the claims of the various social categories."

Questions were raised during the creation of the UC on 9 March 1983 and in the course of its constituent congress last 9 and 10 April, as to the reasons which led Maati Bouabid to enter the political arena. The president of the UC himself gave the answer in the course of his speeches at the constituent congress and during the electoral campaign.

He explained that the creation of the UC was the outcome of thoughts and a process based on the study of the situation and an analysis of the problems in terms of his responsibilities. Maati Bouabid had thus developed the conviction that the post-independence generation aspired to a role in the development of the country. The success which the UC achieved in the municipal elections was subsequently to confirm the accuracy of this analysis.

Through the intermediary of the "Risalat Al-Ummah" group, the Constitutional Union publishes the Arab language daily RISALAT AL-UMMAH and LE MESSAGE, a French-language weekly.

## National Independent Rally

The RNI [National Rally of Independents], headed by Ahmed Osman, was created in October 1978. Its press organs are AL-MITHAQ AL-WATANI, an Arab-language daily, and ALMAGHRIB, a French-language daily.

Ahmed Osman

Ahmed Osman was born on 3 January 1930 in Oujda.

After completing his primary and secondary studies in his native town, he went to Rabat where he attended the Lycee Royal, together with His Majesty Hassan II. Osman has a degree in public and private law.

Immediately after the return of the now-deceased King Mohammed V from exile and the proclamation of independence, he joined the royal cabinet, where he dealt with legal problems. He was a member of the National Consultative Assembly, which was established in November 1955. He was appointed to the Ministry of Foreign Affairs in 1957, where he had charge of the American desk.

Osman became the Ministry of National Defense secretary in 1959. In 1961 and 1962 he served as Moroccan ambassador to the FRG. In 1962 he became secretary of state for industry and mines. From 1964 to 1967 he held a position with the Moroccan Shipping Company (COMANAV).

He served as Moroccan ambassador to Washington from 1968 to 1970, after which he was appointed minister of administrative affairs in 1970.

In 1971, His Majesty the King appointed him director of the royal cabinet. He became prime minister in 1972 and served in that capacity until 1979.

Since October 1978 Ahmed Osman has been president of the RNI.

#### M'Hamed Boucetta

M'Hamed Boucetta was born in Marrakesh in 1925. He was interested in politics from an early age and joined the Istiqlal Party (PI) in 1940, after graduating from the Lycee Moulay Idriss in Fez. In 1946 he went to France to continue his studies in philosophy at the Sorbonne, along with the study of law, in which he earned a degree upon graduation. His last year in France was spent at the Higher Studies Institute. Back in his own country, he continued his political activities, which led him to participate in various congresses in Morocco and abroad.

He practiced law in Casablanca from 1951 to 1956, when he was appointed director of the office of Ahmed Balafrej, at that time prime minister and minister of foreign affairs. Subsequently he was appointed assistant secretary of state for foreign affairs. He has been a member of several diplomatic delegations.

In 1960 he was appointed minister of administrative affairs and administrative reform. The same year he was made minister of justice.

In 1956 he became member of the Istiqlal Party political commission. In 1963 he was elected member of its executive committee. In 1974 he became the committee's secretary general, after which he was elected secretary general of the party. In 1977 he became minister of state and subsequently minister of state for foreign affairs and cooperation.

He was a member of the Parliament during the last legislative assembly.

In 1981 His Majesty the King appointed him minister of state for foreign affairs.

#### The Istiqlal Party

The party was created on 11 January 1944. M'hamed Boucetta is its secretary general.

The PI is related to two union organizations: the General Union of Moroccan Workers (UGTM), the secretary general of which is Abderrazzak Afilal, and the General Union of Moroccan Students (UGEM), the president of which is Mohamed Bekkari.

The party's press organs are AL-'ALAM and L'OPINION, which are, respectively, Arabic- and French-language dailies.

## Socialist Union of Popular Forces (USFP)

The union was created in January 1975 as a result of a split within the UNFP [National Union of Popular Forces] which occurred in 1974. Abderrahim Bouabid was its first secretary.

The USFP is related to two unions: the Democratic Labor Confederation (CDT) and the National Union of Moroccan Students (UNEM).

The party's press organs are the Arab-language daily AL-ITTIHAD AL-ISHTIRAKI, and LIBERATION, a French-language weekly.

### Abderrahim Bouabid

Abderrahim Bouabid was born in Sale in 1920.

After completing his primary and secondary studies, he became a teacher-trainee in Fez in 1940 and subsequently taught at the Franco-Moslem school in Sale, where he remained until 1944.

Involved in politics from an early age, he went to Paris to continue his studies at the Institute for High Political and Legal Studies. At the same time, he managed the Information and Documentation Bureau of the Istiqlal Party, of which he was a member.

In 1944 he founded the newspaper ISTIQLAL. In 1955 he was admitted to the bar in Rabat and played a role in the independence negotiations. He was minister of state in the first government and, together with Cherkaoui, was in charge of negotiations with France and Spain.

In 1956 he became the first Moroccan ambassador to France. That same year he returned to the country to become vice president of the Council of Ministers and minister of national economy in the second Moroccan government. He resigned, but resumed his position during the third government of Abdellah Ibrahim.

Between 1956 and 1960 he held a variety of ministerial positions. In 1959 he left the Istiqlal Party. The following year he left the government in order to found the UNFP.

In 1970 he took part in the founding of the AL-KUTLAH AL-WATANIYAH. It was in 1972 that the USFP, of which he is first secretary, was born.

### Mahjoubi Ahardane

Ahardane was born in 1924 in Oulmes in the Middle Atlas.

After graduating from officers' school in Meknes, he took part in the Tunisian and Italian campaigns. He subsequently became the caid of Oulems, a position which he held from 1944 to 1953, when he was dismissed by the authorities of the protectorate for having threatened the internal security of the state.

Ahardane was a member of the National Resistance Council. After independence was won he became governor of Rabat province. He became minister of national defense in 1961, minister of agriculture in 1965, and minister of state for national defense in 1966. He resigned in 1967. In 1977 he became minister of posts, telegraph and telephone service. In 1980 he became minister of state for cooperation.

Immediately after the independence was won he founded the Popular Movement, and he has remained its secretary general. He is president of the Kenitra provincial council and was a parliamentary deputy in the last parliament.

#### The Popular Movement (MP)

Mahjoubi Ahardane is secretary general of the Popular Movement, which was founded in October 1958.

The Popular Movement is related to two unions: the Union of Popular Trade Unions (USP) and the Popular Union of Moroccan Students (UPEM).

The party's press organ is the Arab-language AL-HARAKAH (The Movement).

#### Arsalane El Jadidi

Mohamed Arsalane El Jadidi was born in 1926 in El Jadida. He completed his primary studies in Khouribga and his secondary schooling in Rabat, and was a teacher from 1945 to 1950. He then went to the Moroccan Phosphates Office (OCP), where he held various union positions. Among other duties, he represented the personnel of the OCP and served as chairman of the Statutory and Personnel Commission, representing the wage earners. Until 1970 El Jadidi was also member of the Administrative Council of the National Social Security Fund (CNSS).

He became a deputy in 1970, serving as representative of the wage earners' sector. He was appointed minister of youth, sports, labor and social affairs in August 1971, a position which he held until he became high commissioner for national development in April 1974.

He became minister of labor and vocational training in 1979 and minister of labor and national development in 1981. Arsalane El Jadidi is president of the El Jadida Municipal Council.

#### The National Democratic Party (PND)

The party was founded in April 1981 as a result of a split within the RNI. Mohamed Arsalane El Jadidi is its secretary general.

The PND is related to a student union--the Democratic Union of Moroccan Students (UDEM).

The party's press organs are AL-DIMOCRATI, an Arab-language daily, and LE DEMOCRATE, a French-language weekly.

## Governments Since the Winning of Independence

Government	Date	Headed By
First	December 1955	Bekkai Ben Mbarek Lahbil
Second	October 1956	Bekkai Ben Mbarek Lahbil
Third	May 1958	Haj Ahmed Balafrej
Fourth	December 1958	Abdellah Ibrahim
Fifth	May 1960	King Mohammed V
Sixth	March 1961	King Hassan II
Seventh	June 1961	King Hassan II
Eighth	January 1963	King Hassan II
Ninth	November 1963	Ahmed Bahnini
Tenth	June 1965	King Hassan II
Eleventh	November 1967	Dr Mohammed Benhima
	October 1969	Dr Ahmed Laraki
Twelfth	August 1971	Mohammed Karim Lamrani
Thirteenth	April 1972	Mohammed Karim Lamrani
Fourteenth	November 1972	Ahmed Osman
Fifteenth	April 1974	Ahmed Osman
Sixteenth	October 1977	Ahmed Osman
Seventeenth	March 1979	Maati Bouabid

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CSO: 4519/46

ENERGY MINISTER DESCRIBES OIL DEVELOPMENT, PIPELINE CONSTRUCTION

Paris AL-TADAMUN in Arabic No 28, 22 Oct 83 pp 33, 34

[Interview with Minister of Energy Sharif al-Tuhami: "The Sudan of Oil Is the Sudan of Stability"]

[Text] The Sudan has officially come to the threshold of the era of oil exports, now that Dr Sharif al-Tuhami, the Sudanese minister of energy and mining, declared the award of a contract to construct an oil pipeline system linking the areas of the wells to the Red Sea coast in London the first week of this month.

This is considered to be one of the most massive projects being offered internationally at the present time. It will be 1,450 kilometers long and its costs will come to about \$1 billion. It will connect the al-Wahdah and Hajlaj oilfields in southern Sudan to the terminal of Port Sudan on the Red Sea coast, from which exports will start in 1985.

While the Sudanese minister was in London 2 weeks ago, AL-TADAMUN had a friendly meeting with him in which Dr al-Tuhami explained the background details and aspirations of the project and from that touched upon important economic matters which were of concern to the Sudanese energy sector and other economic sectors.

AL-TADAMUN: Has the question of the presence of oil in commercial quantities in the Sudan been settled?

Al-Tuhami: Oil exploration operations in the Sudan are still in their first stages. They began in 1975 and positive results appeared in 1979. In 1981 and 1982, we started thinking of the best ways of exploiting the oil that had been discovered. It was totally clear that the oil that exists in the Sudan can be exploited commercially, and proof of that is the investments of the White Nile Company, a corporation which is owned 44 percent by the Sudanese government, 44 percent by the Standard Oil Company of California (its subsidiary Chevron), 6 percent by the International Financing Corporation, IFC, and a like percentage by the Arab Oil Investments Company. These bodies do not enter into a project of this volume, where the costs are over a billion dollars and which is considered to be the biggest commercial

project now being offered on international markets, except on the basis of detailed economic feasibility studies and full confirmation of the feasibility of the project. This in itself is proof that arises from the fact of the investments that oil exists in the Sudan in feasible commercial quantities.

We have gone beyond the stage of wondering whether or not oil is present in commercial quantities.

AL-TADAMUN: In the present stage, would it be better to direct oneself toward exports or invest in domestic refineries to achieve self-sufficiency for the Sudan?

Al-Tuhami: After abundant studies and analyses, one conclusion was reached, that the pipeline project would be the most advantageous for the Sudan. We, as politicians, realize also that building the line has strategic importance for the Sudan, because it is proof that it will be possible to put any amounts that are discovered on the world market. The investment partners would also like to be able to sell on international markets. The project is being run essentially on the basis of an economic principles, not emotional ones. It has been presented to international institutions which specialize in financing and feasibility studies, and they have given it the green light. It has also been presented to the Club of Paris, so that it would be granted an exemption from scheduling so that the Sudan would be able to borrow to construct this project. Four international firms competed for its construction: the Italian Snam Progetti, which was given the award, and the German Mannesmann, which is constructing parts of the Siberia pipeline, in addition to two firms, the French Technip and the Dutch Nekat.

The approach of exporting the oil is an investment necessity for expanding solutions to the energy problem, which is considered to be the foremost problem in the Sudanese economy, after which the income from the investment will be directed to other economic sectors, especially agriculture and industry.

AL-TADAMUN: It is noted that the Sudan's effort to produce oil is taking place at a time when stability is a matter that has not been resolved. Will the production of oil require stability, or is it the production of oil which will guarantee the stability?

Al-Tuhami: As happened in Nigeria and the Neutral Zone, and between Iran and Iraq, the presence of oil has always prompted disturbances and racial and regional struggles to monopolize the oil. In the Sudan there are some elements that are trying to speak in these terms. However, oil in the Sudan is not regional; it does not belong to the south or to the north; it is present in the Regions of Kordofan, the Upper Nile, Bahr al-Ghazal, and the eastern region in the Red Sea, and it is no longer connected to the regional situation. Oil in the Sudan is nationwide. The Ministry of Oil in the Sudan is a central national ministry and is for the development of national resources in the interests of the Sudan as a whole.



In another area, stability in the Sudan is what has made it possible for the exploration activities to come up with these results. One of the bases of the Sudanese government's dealings is a nationwide approach toward spending and investing oil revenues, with attention to the regions in which the oil is located. The exploitation of the regionalist position by foreigners is to be rejected for whatever reason.

What is needed now is more stability. Stability will attract investment, and the lack of it will drive out capital. President Ja'far Numayri has expressed the nationalistic point more than once in his statements.

AL-TADAMUN: How will the pipeline project be financed?

Al-Tuhami: The total cost of the project will come to \$960 million, of which \$230 million will be the companies' capital contribution, \$350 million will be loans on easy terms, and \$380 million will be commercial loans. The construction award has been given to the Italian company Snam Progetti to begin the project with an initial capacity of 50,000 barrels a day.

AL-TADAMUN: How did you inform President Numayri of the signing?

Dr al-Tuhami: We informed him by telex. Before we came, the president gave us full authorization to act and take the appropriate decisions. This was a directive which was of the utmost honesty and truthfulness and I believe that the response from him will be positive, because this is a project which has been anticipated in the Sudan.

AL-TADAMUN: The Sudanese energy sector has recently been faced with crises, including repeated blackouts last summer. Are there any plans to control these problems and prevent their repetition?

Dr al-Tuhami: The electricity infrastructure is weak, and this has produced many problems. Sudanese industry has suffered a great deal from the blackouts. Our brother President Numayri has assigned me to head up the electricity sector, in addition to the oil and mining sectors, with a view to finding solutions for controlling the problems. We have conducted practical studies and the National Electricity Authority has been established to determine problems in the areas of generation, transmission and distribution and the possibility of transcending the problem in the context of decentralization.

We are now trying to control the generation problem. When the third energy project, which will produce 180 megawatts, enters the system at the start of the new year, the burdens on generating capacity will be greatly alleviated. The problems of transmission and distribution, especially in Khartoum Province, will continue to exist for a while, and we will try to control them on a priority basis.

It is necessary to point out that the fact that this problem occurred in the summer resulted from the unusual flooding in the Blue Nile, which carries 80 percent of the water of the Nile River. This year it assumed violent form, bringing silt and wood which caused problems for the electric generating

plants. However, we took some steps to import additional equipment to cope with this problem, and the equipment actually started reaching the Sudan subsequently.

AL-TADAMUN: Concerning the decrees on Islamic legislation which were taken recently in the Sudan: do you believe that these decrees will serve the Sudan's cause as far as oil goes?

Dr al-Tuhami: The most important element in the Sudan as far as oil goes is stability, because that will permit investment to proceed at the desired speed. Most frankly, when President Numayri approved these decrees, he addressed the conscience of the Sudanese nation with them, in the sense that we in the Sudan are essentially an Islamic country, since the colonial attack on the Mahdist Islamic nation. In the period 1956-1969, military and liberal party governments followed in succession in the Sudan, and they all agreed that the Sudan's constitution should be Islamic. This orientation was in all the constitutional documents. Since the governments for one reason or another failed to issue the document regarding Islamic law, President Numayri is right in signing the document that will enable the Sudan to apply Islamic law in its judiciary provisions and its Islamic orientations. The Sudanese people easily responded to the genuineness of Islamic roots in the Sudan. Although there is more than one differing school of thought as far as application goes, the essence is the same, and I do not see any justification in complaining about the contents.

AL-TADAMUN: Could we ask how a person belonging to a specific political movement which seems to be at variance with the regime in the Sudan could be heading this ministry of the utmost importance?

Dr al-Tuhami: Most frankly, reconciliation is a national necessity. We follow it as a means for coexisting and interacting. We have deemed the method of dialogue regarding these matters to be appropriate, and I can say that I was one of the basic negotiators concerning the subject of reconciliation, and we concluded that the reconciliation should take place and we have taken a national orientation with it. We have accepted reconciliation with total conviction, and all our efforts in this activity are for the sake of national orientation and national action with others, so that the task may succeed in the face of the many challenges.

AL-TADAMUN: Are there other mining projects in being in the Sudan?

Dr al-Tuhami: We have opened up the Red Sea as a mining area and have started developing these resources through a strong scientific approach to exploit many minerals, such as gold, zinc, copper and silver. The gold mines will be opened in the Red Sea at the beginning of next year, with the participation of the French-Saudi group.

AL-TADAMUN: After London, you will be going to Morocco. Could we learn the nature of the visit?

Dr al-Tuhami: There is an Arab meeting to study the nature of the geology of the Arab nation and unify and Arabize terminology. The Arab Mineral Resource

Organization will be supervising this meeting. It is an independent organization in which all Arab countries take part, and it is now setting out a geological map which will be completed in 2 years.

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CSO: 4504/89

## SOUTHERN PROVINCE GOVERNOR DESCRIBES CONDITIONS, UNREST IN REGION

London AL-HAWADITH in Arabic No 1409, 4 Nov 83 pp 36, 37

[Interview with James Tombura, Governor of Equatoria, by Huda al-Husayni: "Seven: AL-HAWADITH in the Southern Sudan: If Equatoria Sneezes, the Regions Will Catch a Cold!"]

[Text] James Tombura is considered to be one of the most prominent political figures in the southern Sudan. He is now the governor of Equatoria Region. Before the new subdivision in the south, for a whole year, James Tombura was governor of the whole southern region. Both times it was the Sudanese president, Ja'far Numayri, who appointed him governor. Now, after 18 months, a referendum will be held to determine if the experiment of breaking the south up into three regions has succeeded, and, at that point, the elections will take place. Tombura might win or lose; it all depends on his success in the Region of Equatoria.

Tombura is one who believes in the unity of the Sudan and rejects the principle of revolution to realize objectives. He says that during the time of the guerrilla war, he, a southerner, was a teacher in a school in the north.

His paternal grandfather was a great ruler in the Tombura area, and his name was Tombura. His writ extended over broad areas in the southern Sudan and went as far as part of Central Africa.

"Our tribe was called the Fungara, and is made up of rulers from the Zande area. My grandfather was related to rulers in Zaire, Central Africa and Yambio. He fought the Dinka tribe and married its daughters. Once upon a time rulers married from each tribe, for the sake of peace and in order to avoid war."

Tombura continued his reminiscences of his grandfather, who was one of the first rulers to go to Khartoum. As he was returning, he met a northerner name of 'Ali al-Talab from al-Masid. "'Ali al-Talab was a successful soldier and my grandfather brought him into his army and took him to the south, then married him to his daughter, my aunt. Thus the south and the north inter-mixed in our family. I am telling you this to get to the point that the

...Ethiopes consider that the Sudan is one, and will not be fragmented. Then my father took part in the 1948 conference, when the British sought to split the south from the north. However, during the night the southerners and the northerners reached an agreement on union, and the British became incensed because the southerners had disappointed them."

AL-HAWADITH: Did your grandfather fight the British?

James Tombura: He fought the British, the Belgians and the Dinkas. Let me tell you this story. My grandfather went with his army to the Dinka area. He occupied their territory and acquired cattle from them, thousands of cattle. However, our tribe is not familiar with cattle; we are farmers. At night, when they wanted to sleep, they wondered what ought to be done to keep the cattle. Each of them tied a group of cattle to his own feet, so that the cattle would not escape during the night.

At night, the Dinkas came and started to sing their special songs for the cattle. The Dinkas' cattle recognize the voices of their owners. When the singing began, the cattle started to run away, dragging my grandfather's army with them. A large number of Zandes died that night.

The Dinkas are still laughing at us, the Zandes, and are amazed how we eat the meat of cattle but do not know how to raise them.

After James Tombura talked to me about remedies with strange herbs and medicines from the roots of specific trees which cure malaria and typhoid, he greeted some well-wishers, then addressed his words to me, stating that many years were wasted on the south when it was a single region but failure was the lot of the governments and the people.

AL-HAWADITH: Since you have started the discussion, and took part in the previous government, why did the old governments fail?

James Tombura: I did not take part in all the past governments. I was a member of parliament and of the opposition. I was just the head of the previous regional government, which suffered from the legacies of the governments that preceded that.

At the beginning, when the southern region was given autonomy, a government came in headed by Abel Alier. However, that failed. The reason is that before the Addis Ababa agreement, everyone was at war and was living in the jungles. However, after stability came, they returned, and each person wanted a position for himself. Each person started to think by himself and for himself, and not for the development of the country. Everyone who was given a position started to bring in his relatives and appoint them to positions, and the rest of the people did not benefit in any way.

Therefore, when the date came for the elections, Mr Abel Alier's government fell, and a transitional government came in which the president formed. Then elections were held, and we ourselves won. The previous government had depended on the tribal system of distributing positions, that is, most of the ministers were people from the Dinka tribe. Here, in the Region of

Equatoria, we believe that this system was wrong, because all the people fought together for 17 years. Therefore, they ought to have divided the positions up equally. This is the reason for the dispute.

In addition, a large part of the development was carried out in the Dinka areas only, and the administration was all done by people of the Dinka.

After we came to power, we saw that the south was like a single region. Administering it is very difficult, and we demanded greater decentralization, especially in Equatoria, because we wanted our region to be separate, concerned with its own affairs, and we had waged a severe struggle against the Dinka, who had all the power in their hands. If Equatoria was to split off, they would have no power or administration. The struggle continued until the central government in Khartoum agreed to make the south like the rest of the Sudan, decentralized regions.

AL-HAWADITH: However, before getting to decentralization, I would like to ask you: after Abel Alier, a government came in headed by Joseph Lagu, and after that a government came in headed by you. However, none of them succeeded. Why not?

James Tombura: Joseph Lagu came in in 1978. That year, the opposition was very strong. You know that the Dinkas are very numerous. They directed a severe attack against him, and a constitutional issue emerged in parliament when the members rejected the chairman of the council. The constitutional problem remained pending until President Numayri dissolved the parliament and the government. We went back to the elections, and Abel Alier won once again and formed a government. At that point, also, he gathered together his brothers from the Dinka, which was one of the biggest tribes, and we realized that from the tribal standpoint he would not allow us to share power. Therefore we proceeded again to demand decentralization.

AL-HAWADITH: Did all the tribes in the south demand decentralization, or did some of them side with the Dinkas?

James Tombura: The minority was with the Dinkas. Just the employees of the government were with the Dinkas. The inhabitants were on the side of decentralization in the case of Equatoria Region, while in the rest of the south, the people to the west of Bahr al-Ghazal, in the south there are Nilotic tribes whose life style differs from that of the people of Equatoria. Their language is different, their nature is different, they are interested in raising livestock and are interested in farming, and there are many disputes among them. In Equatoria, however, they are all farmers and all of them want partition. However, all the Nilotic tribes did not.

AL-HAWADITH: Why not?

James Tombura: They do not know. These tribes refused without knowing what was going on among the people in power. Those who were officials realized that a partition would greatly reduce the available positions, which they had been distributing among the people of their tribe, and it would not be in their power to impose matters on other areas when it came to appointing officials.

AL-HAWADITH: It is said that there is a kind of confusion between the stipulations of the Addis Ababa agreement and the subdivisions which have been made. People say that the agreement stipulates that the south is a single region, and here today it is now three.

James Tombura: I would like to tell you that the level of awareness in the south is still low. People who do not grasp things believe that an increase in decentralization is wrong and that the agreement did not stipulate it, or says that if you want to subdivide the region you will have to hold a referendum. However, when the president became convinced that the region was large, the authorities' grip was faltering, and the people were not benefiting, he decreed that three provinces should be established, in accordance with the contents of the Addis Ababa agreement. The lack of benefit due to the concentration of power in remote locations was also discovered. He then decreed that the number of provinces would double, and turned the region into three regions. We accepted this, because it entailed an improvement and development of Addis Ababa. This subdivision would create two new governors for us, along with their deputies in the police. We would have many jobs and our numbers in the Socialist Union would grow, that is, our number would triple, and this was in the interests of the south.

We did not hold the referendum, although a referendum was supposed to be held on increasing the provinces, first of all. However, since this distribution was in our favor, we chose to be silent. We then also thought that there would be no harm at all in this subdivision. Previously, if any citizen who lived in Bahr al-Ghazal wanted something from the authorities, he had to wait for a plane to take him to Juba. You have seen the great distances yourself. Or, a citizen from Waw who wanted to submit a complaint would have to go to Juba also, and if he went by car that would take him 3 days. There are people who came by foot from Waw to Juba. Up to now there are people who herd cattle to sell in Juba, and come on foot from Bahr al-Ghazal, which takes a month or two. Therefore, we thought that if it takes a person with a complaint a month to arrive, the authorities are also remote from the people. Moreover, our constitution endorses decentralized government, although we in the south wanted more decentralization.

AL-HAWADITH: Do you believe that the Dinkas' opposition to the subdivision was negative?

James Tombura: They rejected it, but now, to prevent the subdivision, it is not in favor of the people in power for the people in their own tribe to be in opposition. Therefore the opposition has greatly lessened.

AL-HAWADITH: Did some southerners, as an expression of their rejection, try to establish specific political parties or carry out armed resistance supported from abroad?

James Tombura: People in the army had their personal interests, and because the level of education in the south is low, men who bear arms feel strong, and at that point they want to govern. That is what happened. A soldier with a rank which was not high, but who had native intelligence, started to speak with his comrades and convince them that the administration consisted only

of big educated people and therefore that meant that we would not get a chance to govern; why shouldn't we spread about chaos, so that we could take power?

That is what happened in Bor. A very small number of people believed that it was in their power to resist the government and the entire army, and they rebelled, believing that they were stronger. However, the rebellion ended in a few hours.

I would like to say that some of the people who rebelled were in the first Anya Nya and were in favor of assimilating into military life totally. However, we do not know why they refused to carry out orders, even though some of them in the past had been transferred all over the Sudan. Some had not received the opportunity to be transferred, and refused, because they belonged to the Dinka and al-Nuwayr tribes and had livestock, had plundered many cattle in the Anya Nya period, and now did not want to give up the livestock. Therefore when they were told to go to Khartoum they refused, claiming that each man had 10 wives and about 100 or more head of cattle, and if they went to Khartoum who would pay attention to these belongings?

AL-HAWADITH: How do they serve here?

James Tombura: Here they are in the army, but the cattle are nearby, and there are relatives whom they have put in charge of the cattle, and have put in charge of the cattle and the relatives.

Therefore they were afraid of abandoning the livestock and refused to go to Khartoum. They started sending the news to the children of their tribe in other areas.

AL-HAWADITH: Have the problems ended now?

James Tombura: It is not easy to end them, especially since some of the people have fled into the jungle and have started plundering cattle. They have come to resemble the cowboys in America in the past, forming bands to steal and plunder.

For example, in the Upper Nile, there is a section which plunders cattle to sell in Ethiopia in exchange for arms. However, the number is small. The borders have now been closed, following the Bor incidents. Stability has returned to Bor.

We talk with the relatives of people who have fled and persuade them that their action is undesirable and that they are supposed to settle down. If they are not prepared to submit to the orders of the army, it would be better for them to resign, and we will provide other job opportunities for them. A large number of the people who fled have started to return and have handed themselves over, stating that they were deceived and that was why they had fled. Now they have regained their awareness and want a life of stability. Sometimes an investigation is made on the people who have returned, and their degree of awareness is taken into consideration. They are not educated.



AL-HAWADITH: What is the Anya Nya Two?

James Tombura: That is a group of people who steal cattle in the Upper Nile, and they call themselves Anya Nya Two.

While I was the head of the government, for a year I tried to contact them. I could not find out who their head was, although one of them said that he was Anya Nya Two. I found four people, for instance, who had weapons and 10 who had spears, and the rest were armed with sticks. Their mission was to spread terror among people to guarantee that they could steal. All of this was without a chief. We are still looking for the leader of the Anya Nya Two, but we observed, in the events in Bor, that there were some arms that were not supposed to be there. This means that they infiltrated from abroad, and consequently there were active elements.

AL-HAWADITH: Didn't you conduct an investigation to learn where the weapons came from, and who sent them?

James Tombura: The Sudan has many enemies. Then, if you take the Equatoria Region, we have borders with Ethiopia, Uganda, Kenya, Zaire and Central Africa. The borders are large, and in some of these countries problems were outstanding, Uganda for instance; a large number of Ugandians came into the Sudan as refugees, with weapons in their possession, and started to sell the weapons.

AL-HAWADITH: Why, as a government, didn't you think of buying the weapons from the refugees?

James Tombura: We confiscated the weapons and gave them to the army. We did this along the borders. However, the Sudan is a large country, its jungles are large and dense, and it is possible to send in weapons. The refugees wanted to trade, and the arms trade guarantees a large, rapid profit. In addition, a large quantity of weapons infiltrated from Ethiopia and its allies.

AL-HAWADITH: Why Ethiopia? There is a gentleman's agreement between you and it that neither country will interfere with the other.

James Tombura: This agreement is good on paper. It exists in offices. However, refugees and infiltrators are not bound by it. People who want to buy arms from Ethiopia do not necessarily have to go to the government there, but can look for dealers. The agreement between the Sudan and Ethiopia is in effect.

AL-HAWADITH: I observed a large amount of rumors in all the areas of the south, circulating among the people, that the army wants to mount an attack on civilians. Who is behind these rumors?

James Tombura: The Anya Nya Two. They also rumor that Numayri wants to partition the south so that it will remain weak, so that someone from the north will come and take power in the south. That is an old refrain, and the people here believe it.

However, I would like to assure you, and I am a southerner, that no one in the north wants power in the south.

AL-HAWADITH: Do you believe that the discovery of oil in the south has had the effect of causing some southerners to reject decentralization and think about seceding from the north for good?

James Tombura: There are some politicians, especially among the Dinka, who believe that there might be oil in the southern Sudan only, and consequently the south will become rich, so it is better for us to create disturbances so that we can call for secession and the declaration of an independent country.

They also believe that the north, out of concern over the oil, wants to subdivide the south into small, weak segments so that it can dominate.

In actuality, this notion is wrong. It is the central government which started drilling for oil. It found it in the south and also in the east. Oil will be distributed throughout the Sudan and not just in the south or just in the north, exactly like customs duties.

In another area, we have read publications which Anya Nya Two is distributing calling for secession from the north.

AL-HAWADITH: Are there the ingredients for a state in the south?

James Tombura: Not at all. Moreover, the people calling for this secession are unknown. I would like to add that this is an old position. After the Addis Ababa agreement, not everyone returned to the Sudan. Gordon Martat, for example, is in London. Others rejected the agreement, claiming that it was not adequate, indeed, that the people who had met ought to have declared the south a state independent of the north.

AL-HAWADITH: Do they have followers here?

James Tombura: Would they be living in London if they had followers? I would like to add what I believe, which is that the borders will not change from those at the time of independence in 1956. All African borders will remain as they are.

AL-HAWADITH: With the new stage, what will the Equatoria Region need?

James Tombura: We need many things, but we cannot provide all the needs at once, because our government does not have many resources.

We would like first of all an improvement in land, river and air transportation. Along with that, we would like an improvement in the drinking water, because we are still drinking water directly out of the Nile, and the water is full of germs and diseases. Sick people cannot work.

After that, we would like opportunities and responsibility to be granted to the people, so that they will perform their duty and not just rely on the

ruler. People must rule themselves and feel that they are part of the government.

AL-HAWADITH: Will they respond?

James Tombura: Everyone is enthusiastic and optimistic. We in Equatoria are not suffering from the problem of instability. That is, the Anya Nya Two does not have a presence. Then, in the time of Anya Nya One, most members were from Equatoria, and the thinking of Equatoria was dominant. I do not say this boastfully, but I say it as a fact. If Equatoria had not existed, Anya Nya Two would not exist. An official used to say, "If Equatoria catches a cold, the whole south will be sick."

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EGYPTIAN PAPER REPORTS ON IMPOSITION OF ISLAMIC LAW IN COUNTRY

Cairo AL-NUR in Arabic 28 Sep 83 p 1

[Article by Mamduh al-Wali: "The Application of Islamic Law in the Sudan: The Imposition of Islamic Penalties and the Shutdown of Liquor Stores"]

[Text] The Sudanese president, Ja'far Numayri, has issued a new law on penalties which is derived from Islamic law. The law stipulates that the hands of thieves are to be cut off, that revenge is to be taken on murderers by killing them, that chaste adulterers are to be stoned to death, and that people drinking liquor are to be flogged.

Subsequent to this, the Sudanese authorities ordered that all bars and stores selling liquor in the Province of Khartoum are to be shut down.

President Numayri has presented this new Islamic criminal law as part of the process of total reorganization of the Sudanese judiciary system, to guarantee the firm application of justice. He has also appointed Dayfallah Hajj Yusuf, the former director of religious affairs, as the president's legal affairs advisor.

At the celebration which was held in the area of Wadi Numayri, the Sudanese president said "Some people are afraid of Islamic laws. I am not at all afraid. I will continue with them most confidently, want the support of the people, want them to stand behind me."

He said, "The penal code which we dealt with was a mark of disgrace on our foreheads. We have eradicated it, with thanks to God." He added that he wanted to turn the Sudan into a safe country for every Moslem in the world and that the Islamic orientation would bring God's blessings and mercy upon us and close the door of evil off from us.

At his meeting with the masses of the town of Dunqula, President Numayri said "The May revolution came about to transfer power to the people and the final authority is the road which the prophet, on whom be God's prayers and peace, drew out for us. It is the road of bounty, prosperity and glory. We give God great thanks for our declaration of these legislative decrees; they will be followed by other ones. The Islamic religion is a religion of peace,

love and security. However, the enemies of Islam say that this religion is devoid of mercy, which is slander and error. The religion punishes criminals so that they will be a lesson and an exhortation to others. The Islamic religion is merciful toward people who work. We hear about crimes in the world for which there is no deterrence. However, if Islamic penalties are applied, it will be possible to deter criminals." Numayri said, "These laws are not against anyone, or vengeance against anyone. We acknowledge and respect all divine religions, because if the Moslem does not acknowledge the other divine religions, the Islam he follows is deficient. We must introduce Islam among people who have no religion in terms of good works, for there is no coercion in religion."

At a press conference held in the town of Muna in the Kingdom of Saudi Arabia, Mr Muhammad Salihin, minister of information and national guidance in the Sudan, said that the decrees applying Islamic law in the Sudan had been preceded by thorough study. Faysal 'Abd-al-Rahman, the Sudanese minister of state, said, in response to questions on the application of Islamic law to non-Moslems, "We as an Islamic country will apply Islamic law to the whole country. We will not oppose the personal conduct of people in the south or north as long as that does not conflict with the teachings of their divine religions." He went on to say, "The declaration of the decrees applying Islamic law were not a surprise to our southern brethren, because they took part in the latest Socialist Union conference which approved the Islamic platform."

The Sudanese newspaper AL-AYYAM mentioned, in its main editorial, that the new laws and the application of Islamic law had met with absolute support from the masses of the Sudanese people, with whose profound feelings and aspirations these decrees corresponded. They also met with broad international echoes and unusual approval.

#### The Brothers Support the Decrees

News agencies have reported from the Sudanese capital that demonstrations were held by the Moslem Brothers and the Salafiyyah fundamentalists to support the recent measures President Numayri adopted to apply an Islamic criminal law forbidding the drinking of alcohol in the Sudan.

The Sudanese newspaper AL-SAHAFAH mentioned that as a result of the issuance of the new penal law and new laws derived from Islamic law, the crime rates in all areas of the Sudan had declined greatly. In some areas, the police records did not register any incident related to property or people. Reports received from all regions stated that the crime rate had declined greatly. This was observed in the cases of crimes of theft, burglary, pickpocketing and crimes of disruption of security, harrassment or fights which drunkenness leads to.

In Khartoum, the authorities waged intensive campaigns against places where information indicated liquor had been stored, and large amounts of liquor were seized. The authorities also launched attacks on places where liquor was sold which resulted in the arrest of a number of people who made liquor, in order to bring them to trial.

In another area, the police department in the Sudan started to carry out studies on thwarting ways of evading the new laws and smuggling in liquor by various means.

REPORT STUDIES STOCK MARKET WEAKNESSES, POTENTIAL AREAS OF IMPROVEMENT

Kuwait AL-WATAN in Arabic 2, 5 Nov 83

[Article: "A Special Study: The Decree Regulating the Kuwaiti Stock Market; Conceptions on Bylaws for the Market"]

[2 Nov 83 p 14]

[Text] The Department of Projects and Research in the Kuwait International Investment Company prepared an objective study on the decree bearing on the regulation of the securities market dated 14 August 1983 and previous laws related to the market from the period from 1960 to August 1983.

The study dealt with some negative phenomena in the Kuwaiti securities market, such as harmful speculation, the failure to link the movement of prices to the actual performance of the companies involved, excesses in long-term transactions, price fluctuations, the misuse of government initiatives to support the market, the presence of a number of securities markets, the shortage of information and data, and the lack of requisite regulation of the activity of brokers.

The study contained the decree regulating the securities market, the most prominent features of this regulation, and conceptions on supplementary measures, whether these are part of what the bylaws of the market must contain or form part of other decrees. Herewith is the text of the first part of this important study.

The stock market in Kuwait was characterized by constant growth in terms of the volume of money invested in it and the movement of transactions. It attracted extensive attention, entering into the lives of people and companies not just in the context of Kuwait but also in the context of the Gulf region as a whole. Its effect on overall economic conditions in Kuwait has become obvious.

This importance makes it necessary that the market be directed and regulated in a manner which will achieve the mobilization of domestic savings to serve economic development and create an objective link between the movement of stock prices and the actual and anticipated performance of the companies,

within the framework of their original objectives as stipulated in their charters.

In addition, the harmful effects arising from the lack of organization and control of this market extend to broad sectors, especially when a large proportion of individuals and companies enters the market. Therefore it becomes necessary that the requisite legislation and rules be set out to direct the course of the market so that it may achieve its objectives.

If we review the growth of the market and the legislation that has been set out to regulate it, the extent to which this legislation has lagged in keeping up with this growth will be apparent; the market is now bringing out negative phenomena which have accumulated with the passage of time, giving it a distinctive character among the world's securities markets, and repeated crises which have raged about the market and from which economic conditions in general have arisen.

The time has come, now that a long period has elapsed since the emergence of the market, to round out the legal framework governing transactions in the market, by benefiting from experience and errors in order to employ the expertise that has been gained to support the strong points and correct the weak ones, by seeking the aid of experts on international markets.

The issuance of the decree bearing on the regulation of the security markets dated 14 August 1983 represents the first legislation to set out the broad outlines for the foundations on which the process of transactions in the market will be based, in a manner that will result in their developing in a manner that will serve economic development activities, help realize the goals of the government's economic policy and develop and guide the systems of conducting transactions in a manner that will guarantee that transactions are sound, accurate and easy, and will provide protection for people conducting the transactions, as was stated in the decree's stipulation regarding the objectives of the market.

In all the securities markets in the world, it is well known that legislation alone cannot achieve the desired results unless the factors and agencies which will help achieve its goals are furnished and the means for influencing the activity and the various phenomena for achieving these goals are provided. Therefore, in this study, we have stressed the need to apply laws regulating the market through specialized agencies possessing the expertise and competence that will enable them to translate the goals of these laws, without which application will be difficult, superficial, and incapable of realizing the real goals the legislators intended. In our conceptions, we have been guided by the true state of the market, the negative phenomena in it, and the laws related to the regulation of it, and we have contented ourselves with important aspects that have an effect on market conditions.

#### Laws Related to the Securities Market in the Period 1960-August 1983

##### 1. Law 15 for 1960, the Law on Companies:

This law did not address itself directly to the securities market; rather, some matters related to the establishment and administration of corporations and the distribution of their profits appeared in some of its articles. Among the most important of these articles were:

The need for the founders to subscribe stock of no less than 10 percent of the capital of the company, to be paid before the subscription announcement is published.

The need to evaluate the stockholders' assets in kind and to give them shares of that value.

The refusal to permit disposition of shares until 2 years have elapsed since the final establishment of the company or at least 5 percent of the real profits derived from the company's activities have been distributed. The shareholders will have priority in any subscription of new stock.

The requirement of having 500,000 rupees in capital.

Persons may not belong to the boards of directors of more than three corporations headquartered in Kuwait, and they may not be appointed board members or appointed chairmen of the board of more than two corporations headquartered in Kuwait.

Articles 81, 98, 101, 103, 105, 108, 131, 138, 139, 140 and 179. These paragraphs were amended by the contents of Law Three for 1975.

## 2. Law 27 for 1962:

Nothing appeared in this law regarding the regulation of the process of dealing in securities of Kuwaiti companies; rather, it just contained the regulation of the process of dealing in the securities of companies established outside of Kuwait.

## 3. Law 32 for 1970:

With the issuance of this law, the legislators began to intervene in an obvious fashion, setting out the foundation stones for regulation the securities market. It gave the Ministry of Commerce and Industry the right to issue any bills it considered necessary to regulate transactions in securities until a law was issued on the regulation of the securities exchange.

Article Nine of this law stipulated that leveraged transactions in securities were to be prohibited, except within the limits defined by the Ministry of Commerce and Industry, on which a decree would be issued by the minister.

The minister issued Decree 52 for 1974 which, in Article One, prohibited deferred sales. This was a reassertion of the contents of the abovementioned Article Nine.

In Article Two, the decree allowed all leveraged sales that took place before issuance of the decree. The constitutional court in Kuwait ruled that



this article was not constitutional, since it permitted something which Law 32 for 1970 had prohibited, and the administrative entity issuing the decree did not have the constitutional power to allow something which a law which was higher than it in constitutional terms had prohibited.

Then the decree of the minister of commerce and industry was issued on 8 April 1977 regulating long-term sales, but that was founded on bases which were not acceptable to commercial circles at that time, among them the fact that the shares should remain in the name of the seller, that part of the price, a minimum of 10 percent, should be paid to the seller, that the contract should be recorded, when completed, with the Securities Department, and the maximum period should be made 1 year.

There were no restrictions on the part of people conducting transactions through the execution of the law, and dealings in the market continued to be on the basis of the registration of stocks in the name of the purchaser and the delivery of the long-term value by deferred check or money order. This situation continued to develop and grow, although these transactions in themselves were contrary to the decree of the minister of commerce and industry and consequently to the provisions of Law 32 for 1970, Article Nine, referred to above.

Then Ministerial Decree 90 for 1981 was issued freeing this type of sale from many restrictions. The restriction on the period previously stipulated at 12 months was eliminated, the condition that the seller retain ownership in the stocks and that part of the price be paid on signing was abrogated, and a condition was newly stipulated to the effect that sales should be made by an authorized broker in the securities market.

When the Securities Committee was formed in 1981, one of the subjects submitted to it was that of deferred sales. The opinion was that actual experience in transactions had proved that the acceptable system was to transfer the shares to the purchaser's name and receive payment by deferred check or money order.

Through this rapid review, the absence of comprehensive legislation regulating the process of dealing in securities, except as regards deferred transactions, is clearly apparent; the emphasis on these increased following the crisis in the market in the final quarter of 1976, when restrictions were set out to limit that and regulate it, although actual practice did not witness any restrictions on people dealing in them and these restrictions were soon relaxed, in 1981.

There is no doubt that the absence of legislation to govern the various forms of behavior in this market, the absence of regulation to guarantee proper procedure in dealings, and the government agencies' failure to exercise their effective role in oversight prepared the climate for grave, harmful practices within the market, and the market came to be characterized by phenomena which were marked by a special nature, which was different from that in other financial markets; perhaps the most conspicuous of these are the ones we will describe in the following paragraphs.

## Negative Phenomena in the Securities Market

### 1. The failure to link the movement of prices to the companies' performance:

Normally the movement of prices in international securities markets functions as an index of the performance of the companies whose stocks are being traded in those markets, which helps direct real investments toward the most productive companies. Stock transactions in the Kuwaiti market are not based on these quantitative factors but are governed, rather, by psychological and personal factors. The following has contributed to this:

The reliance of the market in large part on individuals, with whom it has grown, and by whom it has been influenced; however, these individuals lack expertise and competence, keeping this market exposed to sudden, severe fluctuations.

The establishment of a large number of closed corporations and Gulf companies and the conduct of transactions in their shares in a manner violating the law, through the parallel "al-Manakh" market.

### 2. Harmful speculation:

While speculation within reasonable limits subject to suitable rules and restrictions constitutes a normal, healthy phenomenon in securities markets, the waves of speculation in the securities market in Kuwait were very high in recent years, alienating the market to a large degree from normal performance, and obstructing its role in attaining economic goals, so that it became an arena for risk on many occasions.

Strengthening speculators' abilities to sustain their activity was the fact that the banking system provided financial facilities without acquiring adequate collateral and without the imposition of obvious restrictions and maximum limits on the margins or percentages of facilities granted, contrary to the situation in most advanced markets.

### 3. Excesses in transactions:

International securities markets are characterized by the limited nature of long-term transactions concluded in them and their subjection to many restrictions, because giving free rein to unrestricted transactions of this sort leads to serious results, especially when the market is subjected to decline, shutdowns or recession. However, this form of transaction in the securities market in Kuwait constitutes an extensive phenomenon and is a basic characteristic of trading.

This phenomenon has increased because the people conducting the transactions overstepped the rule the law outlined for this sort of dealing, the Ministry of Commerce and Industry hesitated to set out strict limits on this type of transaction, and the Ministry of Commerce and Industry hesitated to set out strict limits on the application of the legal rule, since the reduction of these limits continued until no limits on these transactions remained. That resulted in a loss of control over this behavior to keep it within a

reasonable context, and most transactions were transformed into acts of financing, rather than being investment transactions.

This method of dealing resulted in the emergence of a state of fabricated inflation in the stock market, as embodied in increases in and speed of transactions and the rise in prices to exaggerated levels. One result of this trend was that the current crisis flared up after some people conducting transactions failed to meet their commitments, inflicting extreme damage and grievous effects which extended to overall economic and social conditions and revealed the weak structure on which the market was based, in the absence of regulation and oversight.

#### 4. Price fluctuations:

Since its establishment, the market has witnessed sharp fluctuations in stock prices. Prices reached very high levels in the early seventies, because of speculative activities; this was followed by a period of calm in 1974. Then that was followed by a great leap in prices in the course of 1975 and 1976, followed by a comprehensive recession in 1977; then the government took the initiative of supporting the market in 1978. Then the prices of stocks traded in 1978 quadrupled over their 1977 level. This stage was followed by the resumption and consolidation of market activity in the most recent years and the great upsurges of 1981 and the first half of 1982, followed by the great continuing decline following the current crisis, which resulted in part from certain international, regional and local political and economic effects and in part from elements related to the nature of dealings in the Kuwaiti financial market.

#### 5. The misuse of government initiatives to help support the market:

The government supported and backed the market on critical occasions. This support and backing assumed various forms, including the purchase of stocks at a special price to strengthen the positions of people conducting transactions and reduce the severe decline in prices, and it also helped people conducting transactions by offering loans and facilities. In the latest crisis, the government made payments to small investors on behalf of people who were unable to pay.

These government initiatives encouraged people conducting transactions to continue their improper conduct. On many occasions, people conducting transactions refrained from paying their financial commitments in anticipation of further government intervention on their behalf, which resulted in the aggravation and continuation of the recent problem.

In another area, the government's laxity in applying the laws and decrees it had issued strengthened this continued behavior on the part of the people conducting transactions, and helped aggravate conditions.

#### 6. The proliferation of securities markets:

Transactions are made in securities in a number of markets, the stock exchange, the al-Manakh market, the small transactions market and al-Jatt. In

addition, there are transactions outside the three markets. This phenomenon has had the effect of creating great profits in trading and has led to the uncontrolled behavior and incorrect information that are related to that. That also led to a weakness in government oversight of these markets, which helped spread the negative phenomena in them of deluding citizens or encouraging them in illusory or fictitious operations, to the spread of biased rumors, and to the absence of honorable competition.

#### 7. The scarcity of data and information:

Data and information in the securities markets constitute the guide by which investors are led in directing their transactions, and the instrument which empowers the oversight bodies and the market administration to ascertain that course of trading on the market is sound. When this feature is absent, transactions become far removed from scientific and objective bases, prices move within limits which have no objective justifications and the administrative and oversight agencies are too weak to pursue the negative phenomena in the market.

We can see this clearly in the market in Kuwait, since there are no specialized agencies to take charge of guiding the investor through the data and analyses they offer him bearing on the conditions of the companies [whose shares] are traded on the market. The government oversight agencies have been deficient in clear knowledge of the details of the financial situation in these companies, their ability to realize good results through the exercise of their normal activity and the future expectations regarding them, so that transactions could be corrected in a manner where their activity would be in keeping with their results. The activity of the government bodies has been restricted to tabulating the course of transactions on the market, in terms of the volumes of transactions and levels of prices.

#### 8. The failure to regulate the activities of brokers in the desired fashion:

The activities of brokers in the Kuwait market have been distinguished by numerous negative aspects, most conspicuously:

The narrowness of the role the brokers play, embodied in the execution of buy and sell orders.

The failure to present adequate, accurate data on the activities they carry out, and also their financial conditions.

The low competence, expertise and educational level of brokers.

The propagation of rumors and the spread of harmful competition among brokers.

The performance by brokers of the role of promoters of a given stock to the exclusion of others, according to their personal inclinations and whims.

[5 Nov 83 p 14]

[Text] Today we are following through with the second and final installation of the important study which the Department of Projects and Research in the Kuwait International Investment Company has prepared. This instalment revolves around the most prominent features of the decree regulating the Kuwait securities market and conceptions of what the bylaws of the market should contain, or what should be contained in other decrees.

On 14 August 1983, a decree was issued regulating the Kuwait securities market. This decree set out the general framework for activity in the market and set a period of 3 months in which bylaws were to be issued by decree of the minister of commerce and industry, on the basis of recommendations by the market committee.

We will present the most prominent features of this regulation here on the basis of the abovementioned decree and our suggestions of supplementary measures, whether they should constitute part of the contents of the bylaws of the market or other decrees. This will not include detailed regulatory procedures.

1. Registering and accepting securities that are traded:

The rules and provisions regulating the registration and acceptance of securities that are traded in the market, on the basis of the decree, will be determined in the bylaws. In this regard, we consider that these rules should include a determination of the bases by which the transactions in shares of companies are accepted, so that there will be a guarantee that companies that have not realized acceptable results from their normal activity will not be included. This requires stressing that:

The company have published its budget for a period of 2 years, realizing a reasonable level of profit in that interim.

The company have engaged in its activity as stipulated in its incorporation agreement.

This is an important point and requires special attention. Through a study which our department is now carrying out, it has become apparent that many corporations realize only a meager rate of profits through their ordinary operations; we consider it necessary that a detailed study be made of these companies' conditions, especially with the emergence of the crisis of the market, so that we can become apprised of these companies' real capabilities, now that incomes from stock have come to make up the bulk of their revenues.

This study revealed that the purpose in the establishment of many corporations is to reap profits through speculative activities in stock, not through work in productive activity which will have the effect of expanding and diversifying the economic base of the country. This requires that the member companies be compelled to present information and statistical data in accordance with specific forms and that the market administration be given

the authority to demand any additional information which it considers appropriate for obtaining a clearer picture of those companies.

## 2. Developing and guiding systems for conducting transactions in the market:

The development of the market and the guidance of transactions in it, in accordance with the points the decree referred to, will not come about if one just contents oneself with administrative decrees; rather, it is necessary to rely on clear policies which have the economic, monetary and financial instruments to enable them to control the causes and circumstances which engender speculation and attempt to orient them in desired directions. Regulating transactions by deferred payments and guiding the policy of credit bearing on the financing of stock trading activities can greatly reduce the heat of speculation and its negative potential.

This orientation also depends to a large extent on the need we referred to above to provide information and data so that the people conducting transactions in general, and individual investors in particular, will be informed on political affairs which will help in making decisions on whether to buy or to sell.

## 3. Regulating transactions in the market:

Article Four of the decree points out that there should be conditions and rules which the market committee will set out, on whose basis the securities in which transactions have been accepted will be traded, that trading should take place within the market chamber by means of brokers who are registered to conduct the transactions, and that the market committee should be informed of dealings that might occur outside the market.

This article requires that many details be set out, most conspicuously:

The necessary laws should be set out to determine the activities the broker performs on his own account or for the account of his relatives, if the broker is an individual, or for the account of the partners or members of the board of directors, if the broker is a company.

The foundations on which relations among brokers are based should be made conspicuous; these are embodied in cooperation, honorable competition and the definition of the practices that are deleterious to that or to the professional or organizational status of this function.

The ledgers and registers which must be kept by the broker should be defined and subjected to oversight.

The conditions for removing brokers and suspending their activity should be determined.

The commissions paid for buying and selling activities should be reviewed and linked to the volume and amounts of the transactions, and they should not be set at a single rate.

The public corporations which are listed should be compelled not to transfer or convey the ownership of stocks belonging to any person whatever without obtaining the agreement of the market in the manner which the market management specifies.

The days and hours of work in the market should be determined.

The role of brokers should be expanded and investment companies should be considered a model for this role.

Investment companies can take charge of the process of subscribing and undertaking new issues by determining their quantities and prices in a manner serving the interests of the issuing party and the investors, with the assumption that increases in the capital will be offered to the public for subscription and that existing shareholders in the companies involved will not monopolize them. In addition, they will be enabled to offer additional services to agents, embodied in the collection of their shares of the profits distributed and also the collection of the shares of the grant, the retention of their stock certificates, and the provision of periodic lists on their accounts. In addition, they will have specialized technical agencies to enable them to offer regular data on the financial and operating conditions of the companies.

c. The market administration committee:

Article Five of this decree discusses the formation of a committee under the chairmanship of the minister of commerce and industry which will be in charge of administering the market.

Article Six states that this committee will exercise all the powers necessary to administer the market. These will in particular include the following:

Setting out the regulatory rules for dealing in securities in the market, overseeing their application and supervising the activities of dealing in these securities.

Adopting the necessary measures regarding activities whose propriety is subject in accordance with the provisions of the bylaws.

Reviewing applications to register brokers and register the stock of Kuwaiti companies or any other securities in the market, and ruling on those.

Suspending work temporarily in the market or in the shares of one company or more in the event exceptional circumstances take place which threaten the proper course and order of operations.

Giving agreement to annual budget estimates for the market and to final accounts, and appointing account auditors.

From this, the important role this committee plays, with its broad powers and its diverse tasks, is apparent; among the aspects which we consider it necessary that the committee engage in for the sake of this role are the following:

Outlining the general policy of the market and its plans and goals.

Determining the number of brokers and additional conditions for their acceptance.

Assigning advisors to work in the market and determining the periods and conditions of their service. The committee may delegate the director general of the market to do this.

Setting the days and hours of transactions in the market chamber, in accordance with the appropriate circumstances.

Setting out instructions as regards the regulation of dealings in the market.

Setting out additional conditions for the acceptance of securities in the market.

Setting out the administrative structural regulation of the market in accordance with conditions it considers appropriate.

Establishing an insurance fund for brokers.

Establishing a society for brokers.

Setting out instructions to regulate the accounts of the market's revenues and expenditures and issue and approve its annual budget.

Determining the conduct of persons and intermediaries and referring to that conduct which is to be considered improper, such as fraudulent activities comprising fictitious transactions whose aim is to delude the public and prompt it to deal in a specific type of stock.

Article Seven of the decree also stipulates that the committee chairman is to submit a detailed report to the Council of Ministers every 3 months on the activities of the market and the conditions of investors, containing the performance that has been realized in the light of the general policy of the government over the long range.

Five. Technical agencies:

Article Eight of the decree refers to the establishment by the market committee of specialized technical agencies by which the market may pursue its activities. These are:

The price monitoring agency, the deferred sales oversight agency, and the information gathering, analyzing and publication agency.

We consider that the establishment of these agencies, with their missions, in the desirable form, will have the effect of creating positive effects on the course of transactions. The supervising agencies can observe negative phenomena, correct the course of the market, control it and guide activity



in it. There is no doubt that the preparation of this information is not an easy matter, and it might be of little feasibility or misleading if it is not supported by clear, unified notions. Therefore, these require the following:

The cooperation of the following parties:

The Ministry of Commerce and Industry.

The Society of Accountants and Auditors.

The Chamber of Commerce and Industry of Kuwait.

The member companies.

The unification of the rules in accordance with which the final accounts of the corporations are prepared, and also the determination of the nature of the data which must be disclosed in these accounts.

The provision of adequate protection to keep internal information from being used by bodies which are capable of acquiring this information.

The existence of an adequate number of specialists in this field to enable them to cover these aspects, in addition to appointees possessing specific characteristics who will visit the companies and meet officials in them in order to provide an adequate amount of information which these agencies will issue to the public. One can state that the situation requires that these agencies issue the following forms of data and reports:

A weekly publication or paper which could be daily, in the future, containing:

The publication and analyses of price movements.

All instructions or decrees issued regarding the market, and an explanation of them.

Violations arising in the market and penalties issued in their regard.

Economic, financial and accounting studies in simplified form to propagate investment awareness.

Studies on companies belonging to the market and meetings with their officials.

All matters connected to this consideration.

Subscriptions to this publication by companies and individuals will be provided in exchange for an appropriate sum of money.

Periodic reports:

Periodic reports may be issued every 3 months containing a statistical digest of the course of transactions in the market along with thorough analyses.

Annual reports:

These reports will be regarded as important, and will contain the following:

The financial conditions of the companies whose shares are traded in the market on the basis of their final accounts and the results of their activity, and a comparison of them within the groups to which they belong, after the bases for this comparison are consolidated. The effectiveness of these indices will be connected to the need for unifying the rules and the means for preparing the final accounts of the companies we have referred to above.

General information on these companies, for example:

The company's activity, its accomplishments in the past period, its future plans, its competitive position, its board of directors, subsidiaries or affiliates, and so on.

The course of transactions in each company's stock during the year and a comparison between that and the performance of companies in the same group.

Legislation issued regarding the market during the year.

A general study of conditions in the market and an analysis of general conditions in it, linking them to external and domestic influences.

The need to make optimum use of the expertise of investment companies in this area:

The preparation of information and data, and their analysis in a manner which will serve various parties, requires the existence of an agency which is specialized in accounting, finance and economics so that the analysis will be scientific, objective, and of use to the people using it. There is no doubt that the formation of such an agency will run into many difficulties if coordination does not take place with the investment companies, and a suitable formula is not arrived at with them for benefitting from the expertise and competence that is to be found in these companies.

The investment companies have specialists who are able to contribute a great deal in this area; some of them issue studies containing important information in this field at present.

One can say that the report which our company issues is to be considered a pioneering one in this field, since it has managed to prepare a large amount of such information in spite of the difficulties arising as a consequence of the gathering of the companies' information and final accounts.

6. The arbitration and disciplinary committees:

In accordance with the decree, an arbitration committee will be established which will be formed by decree of the market committee under the chairmanship of a member of the judiciary to be chosen by the competent judiciary bodies. Its task will be to render judgment on all disputes related to dealings which take place in the market, and its decisions will be binding on the two parties to the dispute. The market will also have a disciplinary committee which will be in charge of ruling on the violations of the provisions of the decree and the bills and decrees regulating the market, as well as violations which infringe on the proper course of work and order in the market and the rules and principles related to the pursuit of the profession which are attributed to brokers and companies whose securities are traded on the market. This committee will be formed by decree of the market committee and it may impose the following penalties:

Censure, warning, confiscation of any bank bond stipulated by the bylaws, suspension of dealings in the case of companies or suspension of work in the case of brokers, for a period of no more than 4 months, and cancellation of membership.

The decrees issued by the discipline committee suspending work, suspending dealings in the company's securities, or cancelling membership may be appealed before a disciplinary appeals council to be formed by decree of the market committee.

It is suitable to refer to the provisions related to cases arising from the violation of the standards and rules in effect in accordance with the legislation, that is, the financial compensation in these cases, if they cause material harm to any party.

11887  
CSO: 4404/171

CENTRAL BANK REPORT DISCUSSES VARIOUS DEVELOPMENTS IN ECONOMY

Beirut AL-NAHAR in Arabic 21 Nov 83 p 7

[Article: "Report of the Bank of Lebanon on the Economic Situation in 1982: Public Debt Increased 90 Percent and There Was a Surplus in the Balance of Payments"]

[Text] The Bank of Lebanon recently issued its annual report for 1982, which was delayed because of the events. The report reflected the special situation by which this year was distinguished, since confidence was restored in the Lebanese economy, especially starting in the middle of August, when the campaign for the presidency heated up.

Among the prominent points in the report were:

Sluggish growth.

The occurrence of a balance of payments surplus.

An increase in the shortage of manpower.

A rise in the price of the pound.

An increase of 90 percent in the public debt.

Here are the highlights of the report's contents:

Most of the economic indicators show that economic activity was relatively weak in 1982. In light of the absence of statistics on national income, it is difficult to specify the growth rate of the Lebanese economy, but the data available from various studies and indices suggest that real domestic product continues to this day to be lower than it was at the start of the events in 1975. One should bear in mind that the difference between national product and domestic product has expanded in recent years.

This sluggishness in Lebanese economic activity in 1982 is not essentially connected to the recession which afflicted the international economy; rather, what is evident is that it may essentially be attributed to the

deterioration in security conditions, which, starting with the second quarter of the year, led to great destruction of capital and property which added to the burden of a situation weighted down by 7 years of war.

The structural problems the domestic economy has been suffering from since 1975 have increased in severity this year, with the renewal of the events and the expansion in the theater of combat. The infrastructure, which has been extremely damaged, has been afflicted with further damage that has increased the complexity of the major sectors' problems. Among the most conspicuous difficulties which the domestic economy was compelled to face in 1982, more than at any time in the past, were those of transportation, the increased shortage of manpower, the fragmentation of the local markets, the increase in competition from foreign commodities for Lebanese products, and the decline in productivity.

The Lebanese have managed to maintain a reasonable level of consumption in spite of long work stoppages because of the security conditions. As in past years, consumers spent a substantial portion of revenues acquired abroad. The increase in the importance of remittances in the context of economic sluggishness leads one to believe that the difference between domestic product and national product most probably increased in 1982.

In spite of the deficit which occurred in the first half of 1982, the balance of payments, as in past years, realized a surplus of \$361 million, most of which was realized in the last quarter of the year, also in spite of the constant increasing deficit in the balance of trade, which was undoubtedly greater than 8 billion pounds in 1982. This surplus may be explained by the remittances of Lebanese working abroad and the restoration of confidence in the Lebanese economy, in particular as of the middle of August, when the early signs of a political solution to the Lebanese problem appeared.

Aside from the developments in previous years, the surplus in the balance of payments was accompanied this year by a rise in the value of the pound. It is worth mentioning here that the great balance of payments surpluses registered in recent years, especially those in 1981, were accompanied by a perceptible drop in the value of the pound. This drop at that time arose from the strength of demand for foreign currencies, which, in turn, for the most part, arose from differentials in interest rates, as well as from the political anxiety which heightened expectations of a drop in the value of the pound. However, these expectations were reversed in the month of August. The value of the pound rose rapidly, to a degree where its exchange rate came more closely to conform to the status of foreign reserves and the balance of payments outcome.

In the framework of this escalation of the value of the domestic currency, the monetary authorities monitored the application of their customary policy, which was aimed at nonintervention in the exchange market, except in order to alleviate the severity of the fluctuations and tighten up on speculative activities. The interventions by the Bank of Lebanon, from August up to the latter part of the year, allowed for the reconstitution of its foreign reserves.

This increase in the value of the pound certainly has a firm relationship to the drop that has occurred in the prices of numerous imports which was noted in the last quarter of the year. In view of the value of the commodities imported for local consumption, every increase in the value of the pound ultimately produces a drop in the rate of inflation. The remaining price indices available show that the rate of inflation declined perceptibly in 1982, and dropped below 20 percent.

It is without a doubt not possible to separate the low rate of inflation in 1982 from the sluggish growth in the most important monetary components. One should bear in mind that this sluggishness was very much felt in the second half of the year, which witnessed mediocre growth in lending to the private sector. Apart from these developments, lending to the public sector registered a great increase which may be attributed to an increase in the government's need for financing and also to the weak demand for borrowing from the private sector. The government met with great difficulties in the first half of the year in financing its deficit through the banks, and that is confirmed by the minor increase in the volume of bonds traded in this period, as well as by the rise in the debts the Bank of Lebanon is owed and the escalation in the rate of interest on treasury bonds.

As for interest rates, those also followed international trends this year, dropping noticeably in the latter half of it, although within a specific limit. However, this decline also had a relationship to local factors, most important of which was the decline in demand for borrowing from the private sector; it is worth pointing out that the real rate of interest on the pound until the end of the year remained much lower than the real interest rates on the major currencies.

In this framework of economic sluggishness, the drop in the inflation rate and the level of the real interest rate, the surplus in the balance of payments and the relative strength in the value of the pound, Lebanon is preparing to venture on its course of reconstruction, which was inhibited by political and security anxiety in recent years. At the end of 1982, in spite of the structural problems outstanding, it appears that the economic situation is more suitable than at any time in the past for a start to be made on reconstruction.

#### Factors Affecting the Money Supply

The overall money supply at the end of 1982 came to 55,448,000,000 pounds, or an increase of 22.73 percent, as compared with an increase of 39.47 percent in 1981. This increase was apportioned to a varying degree among the factors influencing the money supply -- net foreign assets, net debts owed by the public sector, debts owed by the private sector -- and it was accompanied by important changes in the structure of the money supply. Up to 1981, lending to the private sector and net foreign assets dominated this structure in nearly equal proportions, while the proportion of net debts owed by the public sector was minor until 1979 and relatively small in 1980 and 1981. In 1982, the importance of net foreign assets declined substantially, since its proportion declined that year from 47.25 to 33.35 percent, while the share of net debts owed by the public sector rose from 5.29

percent to 19.55 percent. This development is to be considered one of the most important radical changes to have occurred in 1982.

#### 1. Net foreign assets in the banking system:

Lebanon's net foreign assets came to 18,608,000,000 pounds in 1982, as compared with 21,347,000,000 in 1981 and 14,753,000,000 in 1980. This contraction in net foreign assets was only apparent, in reality, and can be ascribed to the steep rise in the value of the pound in the last quarter of the year. In evaluating these assets in fixed prices, it is apparent that they registered an increase in 1982.

This year, the commercial banks' share of Lebanon's foreign net assets shifted from 63.36 percent in March to 62.32 percent in June, then dropped to 53.43 percent in September and 39.17 percent at the end of the year. In reality, the assets of the commercial banks up to the end of 1979 were lower than those of the Bank of Lebanon. This situation was reflected in 1980, after which they again exceeded the assets of the Bank of Lebanon in 1981, when their share at the end of the year came to 59.40 percent.

It is worth pointing out that the decline in the banks' net foreign assets in 1982 may be attributed to a perceptible drop in their gross assets abroad, accompanied by a less sharp drop in their foreign commitments. This reduction in the net foreign assets of banks, which started in the second quarter of the year, accelerated in the third and fourth quarters. The fact is that the statistics evaluate foreign assets in current prices, hiding the actual decline in these assets during the first half of the year because of a drop in the value of the pound. The banks' net foreign assets calculated in current prices dropped by about half in the latter half of the year, but the magnitude of this drop is largely reduced when we consider the effect of the increase in the value of the pound during this period.

The net foreign assets of the Bank of Lebanon differed in their development during 1982 from the development of the banks' assets, rising from 8,667,000,000 pounds at the end of 1981 to 11,319,000,000 at the end of 1982, in the meantime coming to 7,818,000,000 at the end of June. These developments indicate that the negative results of the balance of payments in the first half of the year occurred in the Bank of Lebanon and the commercial banks both. However, the net increase in total foreign assets in the second half of the year made up for the drop that occurred in the first half, leading to the recording of a surplus in the balance of payments in 1982. Contrary to the developments in 1981, this surplus occurred in 1982 in the Bank of Lebanon only.

This change in the distribution of the Bank of Lebanon's net foreign assets arises from its purchases in foreign currency, starting with the middle of August, and in concentrated form in the last quarter of the year.

This was because the value of the pound rose in this period at a high rate which prompted the Bank of Lebanon to intervene in the currency market to reduce its severity.

## Lending and the Public Debt

### 2. Lending to the private sector:

Lending to the private sector rose to 25,996,000,000 pounds at the end of 1982, or an increase of 4,555,000,000 pounds during the year; this was the lowest increase in the three past years. These loans registered their highest increase in recent years in 1981, rising by 30.58 percent. One should bear in mind that their rate of increase came to 24 percent in 1980. To explain the actual nature of this increase, it is worth distinguishing between lending in Lebanese currency and lending in foreign currency. Lending in Lebanese currency came to 21,508,000,000 pounds, or 23.16 percent, as compared with 29.78 percent in 1981. Contrary to the developments in the past year, this increase in lending in pounds was not distributed evenly among the quarters of the year, since it came to 15.98 percent in the first half of the year then dropped to 5.53 percent in the second half, because of weak economic activity during this period.

### 3. Net debts owed by the public sector:

The rapid development in net debts owed by the public sector to the banking system is to be considered one of the most prominent developments in 1982, since their level rose from 2,389,000,000 pounds at the end of 1981 to 10,844,000,000 at the end of 1982. The commercial banks realized most of this increase, by dint of their intensified propensity to subscribe to treasury bonds in the second half of the year.

As regards the government's operations with the Bank of Lebanon, it appears in conclusion that its net position declined, from that of a creditor owed 984 million pounds to that of a debtor owing 620 million pounds between the end of 1981 and the end of 1982. It is worth pointing out here that these figures include the calculation of the exchange differentials based on Article 115 of the money and lending law, and that this calculation underwent a substantial change starting with the month of August, because of the severe escalation in the value of the lira; its reserves shifted in status from those of a creditor owed 1.43 billion pounds at the end of 1981 to those of a debtor owing 1,366,000,000 at the end of 1982. Excluding the calculation of exchange differentials, this reflects the status of the treasury, which shows a perceptible improvement in 1982, shifting from the status of a debtor owing 446 million pounds to that of a creditor owed 747 million. It is worth pointing out the loans from the Bank of Lebanon to the treasury doubled between the beginning of the year and the month of September, registering a peak of 4,352,000,000 pounds. However, the massive financing which was available to the treasury in the form of bonds in the following months enabled it to reduce the volume of its debt to 2,202,000,000 pounds at the end of the month of November and to 1,751,000,000 at the end of the year, in addition to an increase in its deposits with the bank.

The net debts owed to the commercial banks by the public sector rose from 3,337,000,000 at the end of 1981 to 3.38 billion in June 1982, then 4,842,000,000 in June, and finally 10,224,000,000 at the end of the year. The debts owed to the banks by the public sector are made up almost



completely of treasury bonds. The value of the bonds to which the banks subscribed came to 10,974,000,000 pounds at the end of 1982, that is, the equivalent of 17.78 percent of their total consolidated budget, as compared with 7.64 percent at the end of 1981 and 5.29 percent at the end of 1980.

As a result of these developments, the public sector's share of bank lending to the domestic economy increased to 30.40 percent in 1982. One should bear in mind that it totalled 16.39 percent in 1981 and 11.14 percent in 1980, and was insignificant back in 1977. This increase, which occurred in the final quarter of the year, may be explained by the security and economic conditions that prevailed in this period, which led to a treasury deficit of a magnitude that could not be remedied. The banks, for their part, in financing this deficit, and in the context of these circumstances, found a suitable breathing spell in which to invest their abundant Lebanese currency resources.

#### 4. Debts vis-a-vis the Bank of Lebanon:

The government's debts vis-a-vis the Bank of Lebanon in 1976 grew as a result of the deficit which occurred in the treasury at the start of the events and the difficulty of financing this deficit by ordinary means. Therefore, up to 1981, no new loans were contracted for, and the overall ceiling on these loans remained at about 2.5 billion pounds, of which 1.5 billion were allocated to redevelopment. At the end of 1982, the government's debts vis-a-vis the Bank of Lebanon came to 1,752,000,000, as compared with 1,981,000,000 at the end of 1981. However, these loans went through a perceptible evolution during the year, and the government's dependence on borrowing from the Bank of Lebanon increased noticeably, especially between the months of March and September, when the government debt rose from 1,238,000,000 to 4,353,000,000. One should bear in mind that the ceiling on these loans was raised twice during the year, from 2.5 billion to 3.5 billion, and then to 4.5 billion pounds. This increase may be attributed to the government's inability to guarantee financing for its deficit through treasury bonds, in spite of the relative increase in their token interest. However, with the increase in subscriptions in bonds, this debt dropped, reaching 4.2 billion pounds at the end of October, then 2,203,000,000 at the end of November. It came to 1,752,000,000 at the end of the year, that is, 252 million pounds below the level of the debt at the end of 1981.

The treasury's current account in the Bank of Lebanon registered a drop in the two first quarters of the year, but once again recorded an increase, which came to 757 million pounds at the end of the year. The most important observation one can make on the basis of this account is that the subscriptions of treasury bonds exceeded the government's need for financing and that its loans from the Bank of Lebanon were brought back down to a moderate level. At the end of the year this account registered a significant positive balance. The monetary, financial and reconstruction authorities tried to coordinate and cooperate among themselves in the desire to limit the government's debts from the Bank of Lebanon and rely on other means of financing as much as possible.

## The Public Debt

The public debt is composed of the total of the government's domestic and foreign debts accumulated over a number of years. The public debt increased rapidly in 1982, rising to 15.07 billion at the end of the year, as compared with 7,931,000,000 at the beginning, or an increase of about 90 percent. The structure of this debt is for the most part domestic, since the proportion of foreign loans in it comes to 6.9 percent, that of treasury bonds to 81.5 percent and that of debts from the Bank of Lebanon to 11.6 percent. As for the interest paid on the domestic public debt, that came to 138 million in 1982 as compared with 493 million in 1981. Of this, 886 million was interest on treasury bonds and 252 million was interest on the debt from the Bank of Lebanon. It is worth pointing out here that the foreign debt in 1982 remained at its level at the end of 1981, totalling 1,039,000,000 Lebanese pounds.

11887

CSO: 4404/163

VILLAGE LEAGUE HEAD ON POW'S PALESTINIAN ISSUES

JN272126 Jerusalem in Arabic to the Arab World 1530 GMT 27 Nov 83

[Interview with Jamil Falah al-'Amlah, head of Hebron village leagues, by Rif'at Qaddur, our West Bank affairs correspondent, on 27 November--recorded]

[Text] [Jamil Falah al-'Amlah] The most important issues that aroused reactions in the West Bank are the release of the Ansar Camp prisoners and their return to their sons, families, and homes. This was a humanitarian step and aroused positive reactions from the sons of the West Bank. The Fatah organization also returned the Israeli prisoners to their homeland and their families. We hope that this mutual step between the two sides will encourage us to advance toward a better future and a direct and mutual dialogue between us and Israel. These are the most important issues that were raised during the session.

[Rif'at Qaddur] Mr Jamil Falah al-'Amlah. There is another issue that is still outstanding in the village leagues; namely, the position of the head of the West Bank village leagues which has not been filled since Mustafa Dudin's resignation. Did you discuss this issue?

[Al-'Amlah] Some time ago, the heads of the village leagues in the West Bank held a meeting for the first time. The meeting dealt with the election of a head of the village leagues union to fill the position that has been vacant since Mustafa Dudin's resignation. We have decided to hold a meeting next week to elect a head to replace Mustafa Dudin. We hope that this position will be filled next week. We also discussed the issue of enlightening the citizens in the West Bank and of calling on them to join the village leagues movement to launch a new political initiative which can push the wheel of negotiations forward, especially under these current circumstances which make it incumbent on us to move. This is especially true after the developments that took place in the Palestinian arena, especially in Tripoli and northern Lebanon, and after we have witnessed the beginning of the end of the Palestinian organizations. Therefore, we should begin a new move toward a peaceful solution and direct negotiations to be started by the sons of the West Bank.

CSO: 4400/95

BRIEFS

DEPUTY MINISTER APPOINTED--Chairman 'ali Nasir Muhammad issued a decree appointing Muhammad Ahmad Salman as deputy minister of communications. [Summary] [GF181548 Aden Domestic Service in Arabic 1230 GMT 18 Nov 83 GF]

GEOLOGY PROTOCOL WITH USSR--A protocol for the third period of the geological committee stemming from the PDRY-Soviet joint economic committee was signed at the Establishment of Oil and Minerals in Aden today. The protocol was signed on the PDRY side by 'Abd al-Qadir Salih, deputy industry minister for energy and minerals affairs, and on the Soviet side by (Raphael) Kol'chin, director of the Geological Institute at the Soviet Ministry of Geology [name and title as heard]. The protocol provides for exploratory drilling for oil in the Governorate of Shabwah, a geological survey in the governorate of Hadramawt, and exploration for oil and minerals. The two sides also agreed on the steps to build a central geological laboratory. [Summary] [GF220621 Aden Domestic Service in Arabic 1230 GMT 21 Nov 83 GF]

CULTURAL AGREEMENT WITH CUBA--An extensive protocol for cultural and scientific cooperation for 1984-85 was signed today. On the PDRY side, the agreement was signed by Brother Dr 'Abd al-'Aziz al-Dali, member of the Central Committee and foreign affairs minister, while on the Cuban side it was signed by Isidoro Malmierca, member of the Cuban Communist Party and Cuban foreign affairs minister. [Excerpt] [GF030527 Aden Domestic Service in Arabic 1630 GMT 2 Dec 83 GF]

ANA DIRECTOR IN USSR--Aden, 18 Nov (ANA)--Najib Muhammad Ibrahim, director general of ANA, returned to Aden from Moscow on 17 November following a visit to the Soviet Union that lasted several days at the invitation of the directors of TASS and APN. In a statement on arrival in Aden, Ibrahim said that during his stay in Moscow he held intensive meetings with the leaders of TASS and APN, and that as a result of the cooperation and firm friendship between our two countries and agencies it was possible to draw up suitable policies for developing relations between ANA and the two Soviet news agencies. Najib Muhammad Ibrahim said:

The most important achievement during our visit was the completion of the organizational and technical arrangements for opening and running an ANA office in Moscow. He said that this step will ensure the development of the activity of ANA and all our other mass information media, not only in the Soviet Union but also in all the socialist countries, by using the most sophisticated communications equipment. It was also possible to define tangible forms of further mutual cooperation and joint information activity in our agencies' various fields of activity. Ibrahim expressed great satisfaction with the results of his meetings. He said: The meetings have primarily achieved a significant progress in the relations between our friendly news agencies and opened new wide horizons for the development of these relations on firm and solid bases that are compatible with the development of relations and ties between our two countries. [Text] [GF181827 Aden ANA in Arabic 1730 GMT 18 Nov 83]

CSO: 4400/95

ERSHAD RAISES CONSTITUTIONAL ISSUES IN 17 NOV SPEECH

Dhaka HOLIDAY in English 19 Nov 83 pp 1, 12

[Article by Ataus Samad]

[Text] Chief Martial Law Administrator Lt. General H. M. Ershad has raised two constitutional questions in his public meeting speech in Dhaka on Thursday. In one he asked the political parties to show where did the suspended constitution state that parliamentary elections should precede the presidential polls.

In the other he asked if elections could not be held with martial law in force in the country, how was it that the former Bengalee representatives to the Pakistan National Assembly and East Pakistan Legislature, elected in polls held under martial law in 1970, could frame the constitution of independent Bangladesh.

These two points would quite obviously add to the constitutional debate going on currently.

The suspended constitution states in Article 119 that the functions of the Election Commission are to: (a) hold the presidential polls, (b) to hold the parliamentary elections, (c) to delimit constituencies for the parliament elections, and (d) to prepare electoral rolls for presidential and parliamentary polls.

It is quite clear that these functions have not been arranged in order of precedence, for in that order elections would have to be held first and the voters' list would have to be prepared thereafter--which in reality does not happen.

Then, Article 72 of the constitution states that the President of the country shall summon, prorogue or dissolve the parliament. This article also lays down the other functions of the President directly related to the parliament. But this too does not state that the president would have to be elected before a parliament.

In other words, a nominated president or acting president can also summon a parliament, just as former President Sattar did when he was only holding

charge. Therefore, it is the circumstances and realities which only can help determine as to which of the two elections are to be held first. The constitution is silent on the matter.

#### Rumbles of Protest

As to the second point raised by General Ershad there are already rumbles of protest among the political parties. They say that if the bonafides of the framers of the Bangladesh constitution is questioned in any manner, it would mean, that the state has functioned so long without a valid constitution.

But what General Ershad seemed to be really doing was to ask if the 1970 elections could be held under martial law why could it not be done now. This is his reply to the point raised by the political parties that there could not be fair elections under martial law. But a big difference in the two situations would arise if General Ershad himself became a candidate. In the 1970 elections none from the martial law regime had contested the elections.

#### Trouble

There were disturbances at and around the meeting before General Ershad spoke. Some of those who came to the meeting participated in the disturbances there. In the troubles elsewhere supporters and opponents of General Ershad were involved.

It would have been better had there been no trouble. General Ershad himself called for peace and harmony and also appealed to all to help establish "democracy of peace". Such democracy, desired by all and actually desired to a great extent for the sake of peace itself, could come more easily if the controversies on how to restore democracy was solved quickly.

CSO: 4600/1332

FORMER MP AND PRC SYMPATHIZER REPORTED KILLED

Dhaka HOLIDAY in English 19 Nov 83 p 3

[Text] Former Member of Parliament and chief of the 'Shanti Bahini' Manabendra Narayan Larma (50) was killed on November 10 at the Kalyanpur camp on the other side of the border in an internecine clash with the faction led by Preeti Chakma, according to the New Nation.

Quoting reliable sources, Rangamati Correspondent of the paper reports that the 'Peking-leaning' Shanti Bahini chief and eight others lost their lives in an, armed clash with the pro-Indian Preeti group at the camp at Baghamara in village Isara in India.

Those killed with Mr Larma include Monimoy Chakma, a brother-in-law of Larma's leader brother, Aparna Charan Chakma, a former teacher of the Khagrachhari High School, Kalyanmoy Chakma and 'self-styled' Lt. Ripon. About half a dozen central leaders of the Shanti Bahini were injured.

However, nothing is known about the fate of central leader Shantu Larma, who was considered the second most important person in the leadership, Ruapyan Dewan alias Major Rib, Major, Samiron Talukdar alias Gautam.

A suicide squad of eight to ten rebels under the leadership of 'Captain' Elin led an armed attack on the Larma group camp.

It is reported that Preeti Kumar Chakma and his band are combing for the members of the Larma faction in the Panchhari area of the Hill Tracts.

On November 13 an attack was launched on the house of Larma's uncle near the Motibagh police camp where his men were staying. However, there were no casualties.

Mr Larms had founded the Chittagong Hill Tracts Sanghati in 1972 aiming at the overall welfare of the hill tribes. Former M.P. Mr Roza was the President of this body and Mr Larma the General Secretary. Earlier, Mr Larma had organised the educated youth of the area under the banner of Hill Students Association.

He was elected to the then East Pakistan Provincial Assembly as an independent candidate in 1970. Three years later he was elected to the Bangladesh Jatiya



Sangsad. Mr Larma, who had developed differences with members of the Hill Students Association for pursuing a constitutional struggle inside the parliament, had also come up with a draft of a constitution in the Constituent Assembly of Bangladesh.

In 1974 he organised an armed group which came to be known as the Shanti Bahini. Schism surfaced in this body in 1976 with the 'pro-Chinese' Mr Larma opposing the 'pro-Indian' Preeti Chakma for control. The division was complete by 1981 and nearly a hundred members of the Bahini were killed in internecine clashes. There were major armed battles between the two factions in September 1981 and August 1982 as well as late last July.

Son of Chittakishore Larma, Mr. Manabendra Larma, is survived by his widow Pankijini Larma and their two sons. Mr. Larma had his first brush with the law in the early sixties when as a college student he was sentenced to two years imprisonment for anti-state activities.' However, in view of his tender age he was let out on parole.

CSO: 4600/1332

MINISTER DEFENDS SCHEDULE FOR ELECTIONS

Dhaka THE BANGLADESH OBSERVER in English 25 Nov 83 p 1

[Text] The Minister for Local Government, Rural Development, Cooperatives and Religious Affairs, Mr. Mahbubur Rahman on Thursday repudiated the contention of the former Speaker Mirza Golam Hafiz that Article 123 of the suspended Constitution provides for holding parliamentary elections prior to presidential poll, reports ENA.

In a sharp rebuttal the Minister stated the Article 123, which deals with the time schedule for elections has four sub clauses. He told ENA the first two sub-clauses have laid down in clear terms the time-frame for the presidential polls in the event of expiry of the presidential term of office or vacancy due to death resignation or removal by the Parliament by way of impeachment. The sub-clauses and 4 of the said Article have outlined the time table for the elections to the parliament at the termination of its term or dissolution other wise.

The most cogent interpretation of the Article 123 is that the framer of the constitution conceived intended and preferred presidential poll prior to elections to parliament. Otherwise, they would not have dealt with the time schedule for presidential elections in the sub-Clauses 1 and 2 of the article and the time frame for the parliamentary polls in its sub sequent

This intention of the legisla-lauses.

tors have been made crystal clear in the Article 72 of the suspended constitution which provides for summoning proroguing and dissolving the Parliament by the President. The sub-Article 2 of the article 72 further states the parliament shall be summoned to meet within 30 days after the declaration of the results of the polling at any general election of the members of the parliament. Mr. Mahbubur Rahman said. The subclauses 1,2 and 3 of the article 72 further states that the President may address the parliament or send messages thereto.

Mr. Mahbubur Rahman further said at the commencement of the first session after general elections of the members of the parliament and at the inception of the first session each year the President shall address the Parliament Therefore the existence of the President prior to elections to the parliament is imperative and unavoidable he added.

Mr. Mahbubur Rahman who is the Secretary General of the 18-Point Programme Implementation Council said if the political parties want elections to a constituent assembly to frame a fresh constitution providing for a new form of Government let them state clearly instead of camouflaging their demand by pressing for parliamentary polls before presidential election.

He said they should not be oblivious of the fact that the suspended constitution was framed and practised by them when they were in authority. Making it an issue they are welcome to contest both the ensuing presidential and parliamentary polls and seek mandate of the people on vital issues such as this. The question arises whether they want a new type of parliament (constituent assembly) other than the one provided in the suspended constitution. As per the suspended constitution even the parliament along with the president cannot change the form of government without a referendum he added.

Making a pointed reference to the recent demands of the 15-party and 7-party alliances for transfer of power to them he said the 7-party alliance wanted power to be handed over to Justice Sattar on the ground that he was an elected President who was ousted by force. Likewise Awami League at a public meeting on Wednesday last put forward similar demand on the ground that power was snatched away from its elected President who was killed along with the members of his family.

Mr Mahbubur Rahman said in such an event democratic and constitutional remedy lies in holding presidential and parliamentary polls and thereby inducting a representative government

The Minister concluded with a call concerned to strive hard to create conditions conducive to peaceful transition to democratic dispensation.

CSO: 4600/1328

REPORTAGE ON ZAMBIAN PRESIDENT'S VISIT TO DHAKA

Kaunda 18 Nov Banquet Speech

Dhaka THE BANGLADESH OBSERVER in English 19, 20 Nov 83

[19 Nov 83 pp 1, 12]

[Text] President Kenneth Kaunda of Zambia on Friday praised the 'tremendous progress' achieved by Bangladesh since independence and described it as a beacon of hope of many Third World countries, reports BSS.

'As we draw inspiration from your national construction efforts, we also wish you many more victories in all your endeavours' the Zambian leader told his host President Ahsanuddin Chowdhury at a state banquet in Dhaka Friday night.

President Kaunda who arrived in Dhaka Friday morning on a four-day state visit described relations between Bangladesh & Zambia as 'excellent' & stressed that peoples of both the countries should meet from time to time to consolidate their friendship. They should also learn from each other as, he said 'we tackle the problems of under-development of our countries'

President Kaunda said the relations between Dhaka and Lusaka 'go a long way back in history' and had been guided and nourished by their historical association in the Commonwealth of Nations, the Non-aligned Movement and the United Nations. We have witnessed a steady growth in our bilateral relations, he said adding our countries today share a common platform on many issues of international importance and on matters of human dignity.

Referring to various assistances, received by Zambia from Bangladesh over the years, President Kaunda expressed his belief that there were many more fields where the two countries could cooperate for mutual benefit. He specially mentioned the fields of cooperation in agriculture and industry and said these and many other areas of human endeavour are open to us to strengthen our relations even further.

President Kaunda said the world today was full of tension with political and economic problems everywhere. These problems that afflict men today compete for our attention and need urgent solution, he said and hoped that during his stay in Bangladesh and also during the Commonwealth Summit in New Delhi 'we shall have an opportunity to exchange views on some of these serious issues of our time'.

On the situation in Namibia, Dr. Kaunda said the people of that country were dying for their freedom from the occupation of South Africa. The independence of Namibia is long overdue, he said and rejected South Africa's attempt to link the issue of withdrawal of Cuban troops from Angola with independence of Namibia. He called for a united effort to persuade all western countries to drop the idea of the linkage so that the independence of Namibia was not delayed any more.

#### Text of Speech

Following is the text of the speech of President Kenneth D. Kaunda at the State Banquet given in his honour by President Ahsanuddin Chowdhury at Bangobhaban on Rriday night.

'Your Excellency Mr. Justice Chowdhury, Madam Chowdhury Your Excellency Lt. Gen. Ershad, Madam Ershad. Excellencies, distinguished guests, brothers and sisters:

Mr. President, this is my first visit to this great country. I must, therefore, express our profound gratitude to you, Mr. President and your Government for the kind invitation you extended to me and Mrs. Kaunda to make this visit at this particular time.

The warm welcome which my delegation and I have received from you and your people since we set foot on the Bangladesh soil is evidence of the cordial relations which exist between our two countries and peoples. This bears testimony to the bonds of friendship and co-operation between us which you have so eloquently referred to in your speech this evening. It, therefore, gives me great pleasure to thank you and your people, on behalf of my delegation and indeed on my own behalf, for the warm [re]ception and hospitality which you have so generously extended to us. Mr. President, I accepted your invitation to me to come here because your country and mine have excellent relations. In this regard, it is important that we, the people of these countries, meet from time to time to consolidate our friendship and to learn from each other as we tackle the problems of underdevelopment of our countries. We want to learn from the successes and failures of our friends. We want to join forces with them in order to make this world a better place to live in.

Your country, Mr. President, has achieved tremendous progress since you attained independence in 1971. It is, therefore, a beacon of hope to many Third World countries. As we draw inspiration from your national construction efforts, we also wish you many more victories in all your endeavours.

Mr. President our two countries have good relations. These go a long way back in history. They have been guided and nourished by our historical association in Commonwealth of nations the Non-aligned Movement and the United Nations. Above all, Mr. President, we have witnessed a steady growth in our bilateral relations. As a result, our countries today share a common platform on many issues of international importance and on matters of human dignity.

Mr. President we appreciate the various forms of assistance your country has rendered to us over the years and I believe that there are many more fields in which our two countries can cooperate for mutual benefit. For instance we can co-operate in agriculture and in industry. These and many other areas of human endeavour are open to us to strengthen our relations even further. Indeed it is our sincere hope that our visit will usher in a new era of a much more co-operative and invigorated relationship.

Mr. President, your excellencies and friends, the world today is full of tensions. We have political and economic problems everywhere. East-West and North-South differences and yawning chasms abound. These problems that afflict men today compete for our attention and need urgent solutions. We hope that during our stay in your country and at the forthcoming Commonwealth meeting in New Delhi, we shall have an opportunity to exchange views on some of these serious issues of our time.

Coming from southern Africa, I thought, Mr. President and friends that I should inform you and your great people about the issues that worry us in Southern Africa. In particular, I want to brief you on the problems of apartheid in South Africa and South Africa's refusal to co-operate with the international community in the implementation of the United Nations Security Council resolution 435 (1978) on the independence of Namibia. These are the challenges that face all progressive and democratic forces of the world today.

[20 Nov 83 p 3]

[Text] Following is the remaining part of Zambian President Dr. Kenneth Kaunda's speech at a state banquet in Dhaka on Friday.

'Mr. President, the people of Namibia are dying now in large numbers. They are dying for their freedom. They want their country which is now being occupied illegally by South Africa. The independence of Namibia is long overdue. It is being delayed by South Africa and certain western countries. With the encouragement of the United States, South Africa, insists on the extraneous issue of the withdrawal of Cuban troops from Angola as a pre-condition for the independence of Namibia.

'We in Zambia totally reject this linkage. There is absolutely no political or moral justification in linking the two issues. Mr. President the Namibians began their liberation struggle long before Angola became independent and Cuban troops came to Angola on the invitation of the Angolan government to help it deal with the South African threat. They are not in Angola to help SWAPO fight for their independence in Namibia. So we may ask, where does the linkage come in? In this regard, we should all work together to persuade all western countries to drop the idea of linkage so that the independence of Namibia is not delayed any more.

Mr. President, inside South Africa itself, the apartheid system, which is a system of racial segregation, controls the lives of the black people. It is an oppressive and obnoxious system which denies political and economic rights to the majority of South Africans, especially to the black people. The

apartheid system has been condemned by the United Nations as a crime against humanity. Let us, therefore, fight together to eradicate this system.

South Africa's oppression, Mr President, goes beyond the borders of South Africa and Namibia. South Africa is a threat to the peace and stability of all the Southern African region, especially to frontline states and to Lesotho and Swaziland. We are targets of South African aggression and her destabilization policy of frontline states. We see this policy as work in Lesotho, Angola and Mozambique where South Africa is supporting, military, rebel groups. By flexing her military, might South Africa hopes to make us afraid of supporting South Africa's liberation movements. But we refuse to bend to her wishes. We shall remain steadfast in our support of the oppressed people of South Africa because their cause is just.

Mr President, we are delighted that your country has been a consistent supporter of the oppressed people in South Africa and in Namibia. We say thank you for your principled stand on these issues.

Mr President we also view with great concern the other hot beds of tension in the world such as the Middle East Afghanistan Kampuchea Chad Western Sahara the Iran-Iraq war Cyprus and Grenada.

The situation in the Middle East continues to pose a threat to world peace and security. We believe that just and durable peace will be established in the area only after the Israelis completely withdraw from all occupied Arab lands and accept the inalienable right of the Palestinian people to a homeland of their own in Palestine. But this objective cannot be realised if Arab countries continue to be divided and if they destroy the PLO. Therefore, as we demand the withdrawal of Israel from occupied lands we also urge for Arab unity and the preservation of the PLO.

Mr. President the Iraq-Iran war is a sad affair. We do not understand the need for brother to kill brother in the area. In this regard we call upon them to settle their differences at the conference table using the negotiating machinery that has been put at their disposal by the United Nations the Non-aligned Movement and the Islamic Summit. Our stand on the problems of Kampuchea Afghanistan Chad Western Sahara Cyprus and Grenada is that these problems should be solved by the people of these countries without interference from outside forces.

Mr President one other area of great concern to us and a source of distress in the world today is the widening gap between the rich North and the poor South. We believe that unless steps are taken to bridge this gap the world will never be at complete peace. It is untenable that we should continue to live in a world where some people are living in affluence while others cannot make ends meet. It is in this regard that we call for a new and equitable international economic order in which the protectionist trade barriers in the North will be removed and one in which our exportable items should fetch reasonable prices in the developed countries of the North. It should be such an order in which the developed North will be willing to transfer some of its abundant resources and technology to the poor South.

But we should not only look to the North for a panacea to our economic problems. There is a great deal that we of the South can do for ourselves. We should share the little that we have. In this connection we in Zambia are so far happy with the unfolding South to South co-operation which has emerged as a result of the various resolutions we have passed in the group of 77 and the Non-aligned Movement. We should give more impetus to these positive signs in our efforts to solve the gigantic problems of under-development which face us.

Mr President your excellencies and friends allow me to thank you, once again for inviting me to visit your country at this point in time. We are here to consolidate our relations establish areas of further co-operation and exchange views on various problems that face mankind.

Distinguished guests ladies and gentlemen may we all raise our glasses:

--To the health and long life of his excellency President Chowdhury and Madam Chowdhury.

--To the health of his excellency Lt. Gen Ershad and Madam Ershad.

--To the progress and sustained prosperity of the friendly people of Bangladesh.

--To the everlasting friendship between our two countries. Thank you.

Chowdhury's 18 Nov Banquet Speech

Dhaka THE BANGLADESH OBSERVER in English 19, 20 Nov 83

[19 Nov 83 pp 1, 12]

[Text] The President Mr Justice A F M Absanuddin Chowdhury called on Friday night for 'meaningful steps' for the early launching of the global round of negotiations and for the establishment of a new International Economic Order, reports BSS.

'As a developing country with a narrow economic base, we continue to suffer due to international economic crisis' he said.

Speaking at a banquet hosted by him in honour of the Zambian President Dr Kenneth D Kaunda and Madam Kaunda President Chowdhury regretted that 'little progress' had been made towards the implementation of the substantive new programme of action for the 'Least Developed Countries' adopted in Paris two years back

Madam Kaunda Begum Ahsan uddin Chowdhuray, the CMLA Lt. Gen. H. M Ershad and Begum Roushan Ershad attender the banquet.

Also present, among others were two DCMLAs Rear Admiral M. A Khan and Air Vice Marshal Sultan Mahmud, three former Presidents Mr. Justice Abu Sayeed



Chowdhury, Mr. Justice A. M Sayem and Mr Mohamadullah, Cabinet Ministers and the Chief Justice Mr. Justice F. K M. A Munim.

President Kaunda with the members of his entourage rendered a patriotic song in chorus 'Tiyende Pamodzi Pamozi' (let us march in unity together) before he began his speech.

President Chowdhury referring to the historic changes that took place in Bangladesh and Zambia over the years in response to the felt needs and aspirations of the people said both the countries should undertake a continuing consultations share their experiences and expertise and cooperate with each other in various fields to our mutual benefit.

Speaking about the measures taken by the present Government during the past 19 months the President said the Government devoted its total attention to the task of nation building with the objective of ensuring the rightful participation of the people in the Government. He referred to the upgradation of 397 thanas to upazilas the basic unit of administration and development. These were designed to be functional centres fully manned financed and equipped to support the development activities in 68 thousand villages where 90 per cent people lived. The Administration of Justice was also decentralised with a view to making it more effective and accessible to the people he added.

Following is the text of President's speech delivered at the banquet:

Your Excellency President Dr. Kenneth Kaunda, Madam Kaunda, Distinguished Members of the delegation, Excellencies Ladies and Gentlemen,

It is indeed an honour for me and my wife to have Your Excellency, Madam Kaunda and the Distinguished Members of your delegation in our midst this evening. We extend to you once again a very warm and sincere welcome to Bangladesh. We do hope that your stay in our country will be pleasant and comfortable. We have no doubt that your visit, Mr. President, will usher in a new era in the development of further close and friendly relations between our two countries.

Mr. President, we in Bangladesh have the greatest admiration for you as a statesman of vision and as a leader who throughout an eventful career, has relentlessly championed the cause of freedom and justice. As a thinker and a scholar, you have earned world-wide recognition and we are deeply impressed by the national philosophy of Zambia; Humanism, a philosophy that has been espoused and developed by you with 'Man' and 'His Dignity' as the central theme. We feel proud to be able to receive the first Head of State from a Front-line state in Southern Africa.

As friends we have followed with keen interest the efforts made by you for the economic and social development of Zambia. We are happy that despite various constraints, Zambia has made impressive achievements in various fields under your wise and dedicated leadership. Your recent re-election as President with an overwhelming majority bears testimony to the trust and confidence in which you are held by your people. I take this opportunity to express once again

our warmest felicitations to you on your re-election. We have no doubt that under your sagacious and inspiring leadership, Zambia will achieve greater successes in the years ahead.

[20 Nov 83 p 3]

[Text] Following is the remaining part of President Ahsanuddin's Banquet speech partly reported yesterday:--

Excellency, Over the years, historic changes have taken place in our two countries in response to the felt needs and aspirations of our peoples. It is recognised that every nation has to decide for itself the system, priorities and strategy to translate the popular hopes and aspirations into reality. The ultimate objective of every national effort is to bring about a qualitative improvement in the lives of our respective peoples and to enable them to develop their potentials in freedom, dignity and honour. In the quest of shaping a better future for our nations, it is necessary that we undertake a continuing process of consultations, share our experiences and expertise and cooperate with each other in various fields to our mutual benefit.

Excellency, Bangladesh has traversed through a period of critical challenges. Twelve years since our independence have been difficult years of adjustment, reappraisal and change. The new Government, now in office for about 19 months, have devoted its total attention to the task of nation-building. Our objective is to ensure the rightful participation of our people in the process of Government. Already effective steps for decentralisation of administration have been taken. Within the brief span of a year, 397 Thanas have already been upgraded and strengthened as 'Upazilas'--the basic unit of administration and development and the rest will be upgraded in a few days time. These are designed to be functional centres, fully manned, financed and equipped to support the development activities in the 68,000 villages whereover 90 per cent of our people live. The administration of justice has also been decentralised with a view to making it more effective and accessible to the people.

The plans for people's participation in Government have been firmed up. Elections at local levels have been scheduled to begin from the end of this year and completed by March, 1984. The Presidential election will be held on May 24, 1984 and Parliamentary elections will be held on November 25, 1984. The nation is now looking to the future with a new hope and confidence. We are determined to continue our work to build a stable and self-reliant Bangladesh.

Excellency As developing countries, members of the Non-aligned Movement and the Commonwealth, our two countries share common perspectives and aspirations. Bangladesh and Zambia have worked together closely in different international fora for the promotion of the cause of peace and progress in the world and we still recall the vital role you and your great country played at Lusaka in 1979 in this regard.

I take this opportunity to reiterate our support for and solidarity with the valiant people of Southern Africa and Namibia in their struggle for economic and social emancipation and for independence. We condemn in the strongest of

terms the policy of apartheid being practised by the Government in Pretoria. We will continue to work with the other non-aligned countries of Asia, Africa and Latin America for the independence of Namibia in accordance with the relevant resolutions of the UN Security Council. We express our full sympathies with the people of the Front-line States including Zambia who have been subjected to repeated acts of aggression by the racist regime of South Africa. The sacrifices and suffering which Zambia and the other Front-line States have voluntarily undertaken in supporting the cause of the struggling people of Southern Africa have won the gratitude and admiration of all of us.

We are deeply concerned over the continued presence of foreign troops in Afghanistan and Kampuchea and reiterate our call for their immediate and unconditional withdrawal allowing the peoples of Afghanistan and Kampuchea to decide their own future without any external interference and intervention.

The situation in West Asian continues to remain explosive. We reiterate our strong support for a comprehensive, just and durable solution of the crisis on the basis of complete withdrawal of Israel from all the occupied Arab territories including the Holy City of Jerusalem realisation of the legitimate and inalienable rights of the Palestinian people including their right to a sovereign independent state of their own in their homeland under the leadership of the PLO, their sole and legitimate representatives and the restoration of Al Quds Al Sharif to Islamic sovereignty.

We view the recent ceasefire accord in Lebanon and the subsequent agreement among the concerned parties in their meeting in Geneva as a positive development. It is our earnest hope that the spirit and understanding that prompted such initiatives would further contribute to the preservation of peace, unity and sovereignty of Lebanon.

The continuing conflict between Iran and Iraq two non-aligned and Islamic States has caused us deep anguish. We urge them immediately to bring this fratricidal war to an end and to seek a peaceful solution of the outstanding problems through negotiations.

As a developing country with a narrow economic base, we continue to suffer due to international economic crisis. We call for meaningful steps for the early launching of the Global Round of Negotiations and for the establishment of a New International Economic Order. We regret that little progress has been made towards the implementation of the Substantive New Programme of Action for the Least Developed Countries adopted in Paris in 1981.

In pursuance of our policy of advancing the cause of peace and security both globally and in our region, Bangladesh has taken concrete initiatives to create a climate of harmony and cooperation in South Asia. Bangladesh is happy that the Foreign Ministers of the seven regional countries have formally launched the Programme of Action in their meeting held in New Delhi a few months ago covering various fields of activities. This indeed is a historic development and we look forward to an era of constructive partnership with our neighbouring countries for the mutual benefit of our peoples.

It is a matter of great satisfaction to us that close and friendly relations have developed between Bangladesh and Zambia over the years. Our relations are based on the firm foundation of shared ideas and aspirations and a common commitment to the cause of peace and progress in the world. We have no doubt that your visit to our country will increase the areas of understanding and cooperation between our two countries. Before I conclude I would like to extend once again to you Mr. President and Madam Kaunda a very warm welcome to Bangladesh.

Excellencies Ladies and Gentlemen, may I now request you to join me in a toast:

--to the good health long life and happiness of His Excellency President Kenneth D. Kaunda and Madam Kaunda;

--to the continued peace, progress and prosperity of the friendly people of Zambia;

--to the evergrowing and enduring friendship and cooperation between the Republic of Zambia and the People's Republic of Bangladesh.

#### Kaunda, Ershad Talks

Dhaka THE BANGLADESH TIMES in English 20 Nov 83 p 1

[Text] Bangladesh and Zambia on Saturday emphasised that no extraneous issue should be introduced in the question of independence of Namibia and condemned the policy of racist South Africa.

A spokesman of Bangladesh Foreign Office briefing newsmen about the formal talks between the two countries headed by President Dr Kenneth D. Kaunda and CMLA Lt. Gen. H. M. Ershad said that the talks covered the question of southern Africa and Namibia and other international issues.

Held in Bangabhaban on Saturday morning in an atmosphere of utmost cordiality, the formal talks lasted for about an hour.

The spokesman said that both President Kaunda and CMLA General Ershad were happy to note the close similarity of views the two countries have on major international issues.

During the talks President Kaunda described himself as a friend of Bangladesh and highly praised the efforts and progress of the Government for ensuring all-round development and welfare of the people.

The two leaders also discussed matters of bilateral interest as well as regional and international issues.

During the talks, the CMLA was aided, among others, by Foreign Minister Mr Doha, Planning and Finance Minister Mr A.M.A. Muhith, Works Minister Major General Abdul Munim, PSO to the CMLA Major General Atiqur Rahman, Foreign

Secretary Mr A.H.S. Ataul Karim, Secretary of Jute Mr M.S.H. Chisty, Secretary of Industries Mr Monzur Morshed and Bangladesh High Commissioner to Zambia Mr S.R. Karim.

On Zambian side, President Kaunda was assisted by Chairman of the Political and Legal Committee Mr D.M. Lisulo, Foreign Minister Prof Goma, Minister for National Commission for Development Planning Dr Meebelo, Special Assistant to the President (political) Mr W. J. Phiri, Special Assistant (economic) Mr. D. C. Mulaisho and Special Assistant (press) Mr J.C.M. Punabantu.

President Kaunda, after the talks left by helicopter for short visits to Zia Fertilizer Factory in Ashuganj and the Rural Academy for Development (BARD) in Comilla.

#### Economic, Cultural Accord

Dhaka THE BANGLADESH TIMES in English 20 Nov 83 p 1

[Text] Bangladesh and Zambia have signed an agreement on cultural economic and technical cooperation on Saturday in Dhaka to forge closer cooperation in the fields of culture education economic science and technology between the two countries.

The agreement was signed at Bangabhaban following formal talks between Zambian President Dr. Kenneth D Kaunda and Chief Martial Law Administrator Lt. Gen. Gen. H. M. Ershad

Foreign Minister A. R. Shams-ud-Doha and Zambian Minister for National Commission for Development Planning Dr. H. S. Meebelo signed the agreement on behalf of their respective governments. President Kaunda and CMLA Gen. Ershad were also present at the signing ceremony.

The agreement provides that the two Government will encourage and promote cooperation in the fields of education science and technology art and culture games and sports radio television films and tourism.

Under the agreement the Government of Zambia will recruit skilled and unskilled labourers from Bangladesh for working in Zambia and will also provide necessary facilities to remit a part of their wages and allow home leave with passage money as allowed to other expatriate working in Zambia.

The two sides have also agreed to exchange visits by cultural groups professors scientists journalists sports team and hold art exhibition in each other's country. Both the governments have also agreed to exchange delegation in the fields of film radio and tv.

The official source in Dhaka expressed the hope that the agreement will further strengthen the existing bond of friendship and would promote further cooperation between the two governments and the peoples of the two countries.

It may be noted that Bangladesh has concluded similar cultural agreements with 32 countries of Asia Europe and Africa.

## Kaunda Press Conference

Dhaka THE BANGLADESH OBSERVER in English 22 Nov 83 pp 1, 12

[Text] President Dr. Kenneth D. Kaunda of Zambia ended his four-day state visit to Bangladesh on Monday with the hope that the visit will further strengthen the existing bilateral Dhaka-Lusaka relations.

Addressing a Press conference at Old Banobhaban prior to his departure for New Delhi to attend the Commonwealth Summit the Zambian President thanked the Government and people of Bangladesh for according him warm hospitality during his official visit. "I am going 'back with great memories' he said.

In reply to a question the Zambian President said that he had discussed with the Bangladesh government leaders about the imperative need for restructuring the world economic order. He said that the demand of the Third World countries for a new international economic order would be beneficial for both North and South. 'We seek this as a matter of right' he asserted.

He discussed the protectionist tendencies of the developed countries which he said worked against the economic growth of the Third World. He demanded due price for the goods from developing countries.

The Zambian President who will be attending the 23rd Commonwealth Summit beginning in New Delhi on Wednesday expressed his confidence that Commonwealth would continue to play a very effective and positive role for resolving problems confronting the man kind. He considered the problems of race colour and creed were the main issues before the mankind today.

Asked what issues should get priority in the agenda of the New Delhi summit the Zambian President said that it would be presumptuous for him to comment on it as the priority would be fixed by the Commonwealth Secretariat in consultation with the member states. He however said that the South Africa and the question of the independence of Namibia would be discussed prominently. 'From my country's side we want to see the invasion of Grenada is discussed in New Delhi' Dr. Kaunda added. He further added that the situation in Afghanistan Kampuchea Chad Western Saahra and Middle East must also get prominence in the summit discussion. About the role of Commonwealth he said that it was the organisation that dealt with the matters affecting the member states.

## Joint Communique Text

Dhaka THE BANGLADESH TIMES in English 23 Nov 83 pp 3, 7

[Excerpt] Following is the text of Bangladesh-Zambia Joint Communique issued at the conclusion of the state visit of His Excellency Dr. Kenneth David Kaunda, President of the Republic of Zambia to the People's Republic of Bangladesh from 18-21 November 1983:

At the invitation of His Excellency Mr Justice A F M Ahsanuddin Chowdhury, President of the People's Republic of Bangladesh and Begum Chowdhury, His

Excellency Dr. Kenneth D Kaunda President of the Republic of Zambia and Mrs. Betty Kaunda paid a state visit to Bangladesh from 18th to 21st November 1983. His Excellency President Kaunda was accompanied by Hon. D. M. Lisule SC, MCC, Chairman of the Political and Legal Committee, Hon. Prof. L K H Goma Minister for Foreign Affairs Hon Dr. H. S. Meebelo Minister for National Commission for Development Planning and other high ranking officials of the Government of the Republic of Zambia.

During the visit His Excellency President Dr. Kenneth D. Kaunda laid a wreath at the Jatiya Shaheed Smriti Shoudha at Savar.

President Kaunda, Mrs. Kaunda and the Zambian delegation visited Bangladesh Academy for Rural Development at Comilla, Zia Fertilizer Complex and Adamjee Jute Mills.

His Excellency President Kenneth D. Kaunda, Mrs Kaunda and the Zambian delegation were accorded a very warm welcome throughout their visit, symbolising the close and friendly relations existing between the two countries.

The visit provided a valuable opportunity for a fruitful exchange of views on international issues of mutual interest with particular reference to respective regions and on possibilities of increasing further co-operation between the two countries. At the official talks, His Excellency Dr. Kenneth D. Kaunda, President of the Republic of Zambia and His Excellency Lieutenant General Hussain Muhammad Ershad, Chief Martial Law Administrator of the People's Republic of Bangladesh led their respective delegations.

Participating in the talks from the Zambian side were Hon. D. M. Lisule SC, MCC, Chairman of the Political and Legal Committee; Hon. Professor L.K.H. Goma, MP, Minister of Foreign Affairs; Hon. Dr. H. S. Meebelo, MP, Minister for National Commission for Development Planning; Mr. W. J. Phiri, Special Assistant to the President (Political); Mr. D. C. Mulaisho, Special Assistant to the President (Economic); Mr. J. C. M. Punabantu, Special Assistant to the President (Press); Mr. S. X. O. Shimbale, Principal Private Secretary, State House; Ambassador B. E. Kawele, Chief of Protocol; Mr. Ariel Matiya Phiri High Commissioner of Zambia to Bangladesh; Mr J. G. Shikuboni, Under Secretary, Office of the President's Special Division and Mr. A B. Chibanda, Director, Asian Affairs, Ministry of Foreign Affairs.

The participants from Bangladesh side were Mr. A. R. Shamsud Doha, Foreign Minister; Mr. A. M. A. Muhith, Minister of Finance and Planning; Major Ge-

CSO: 4600/1320

ERSHAD TALKS TO PRESS ON DEPARTURE FOR DELHI

Dhaka THE BANGLADESH OBSERVER in English 23 Nov 83 pp 1, 12

[Text] The Chief Martial Law Administrator Lt Gen. H. M Ershad called upon all concerned not to disturb peace in the country. Peace was needed for progress he stated.

The Chief Martial Law Administrator left Dhaka for New Delhi on Tuesday afternoon to attend the Commonwealth summit beginning today (Wednesday) at the Indian capital. He is accompanied by Begum Roushn Ershad Foreign Minister Mr A R S Doha and other high officials.

Talking to newsmen at the airport prior to his departure for New Delhi on Tuesday afternoon General Ershad said that peace was essential in the country for development and progress.

Replying to a question when the new party 'Janadal' would be floated General Ershad said "wait and see". He told a questioner not be impatient about the name of the convener when asked whether President Justice Ahsanuddin Chowdhury would be the convener. "You will know in time" he said.

When asked whether the party would be launched after his return from New Delhi General Ershad said 'the party would be launched in time whether I am present or not.'

He told a questioner that he was not sure whether he would have separate meeting with Mrs Indira Gandhi because she would remain busy. He however said that if any meeting was held with Mrs Gandhi he would discuss all the bilateral problems with her. When asked why Bangladesh did not officially protest the erection of barbed wire fencing General Ershad said that India did not inform officially anything to Bangladesh. 'We have got the news through newspapers and protested it strongly. I have personally strongly protested in different meetings. He said that the barbed wire fencing would deteriorate the relations between the two countries. When his attention was drawn to a statement by Indian Foreign Minister Mr. Narashima Rao in the Indian Parliament that he had talked this issue with General Ershad he denied it saying that Narashima Rao did not talk to me on this issue.



General Ershad said that he had repeatedly said that there was no exodus of people from Bangladesh because there was no food problem in our country.

Regarding the construction of observation towers on the Indo-Bangladesh border General Ershad said if the towers are part of the barbed wire we shall protest'

General Ershad told newsmen at the airport prior to his departure that he would stress the need for initiating the North-South dialogue, creating food security and widening the technical cooperation among the Commonwealth nations besides exchanging views on world political and economic situation. He said that the summit would discuss and exchange views on disarmament, international security, Palestine, Afghanistan, Cyprus, Indian Ocean and other world issues.

General Ershad said that he would raise the issue of deteriorating conditions of world peace and would suggest measures to find out solutions. The summit would take up the world economic situation and would discuss the protectionism which was adversely affecting developing countries. He further said that he would also discuss the ways for expanding the cultural ties among the Commonwealth countries and exchange of students and youths

Replying to a question about Cyprus General Ershad said that Bangladesh was always sympathetic to Cyprus and he believed that the suggestion of Turkey in the United Nations to form a confederation would be good. He denied the report that Greece had snapped diplomatic tie with Bangladesh.

Regarding the Bangladesh's relationship with Commonwealth General Ershad said that Bangladesh became the member of Commonwealth after independence before becoming member in any other world forum. The relationship with Commonwealth is therefore deep. General Ershad noted that the importance of this forum was increasing in the world which is evident from the increase in membership to 48. He said that Bangladesh participated in the Commonwealth summit and high level meetings since her joining the forum. He said that his participation in the Delhi summit proved Bangladesh's interest in Commonwealth.

CSO: 4600/1331

## ASIAN DEVELOPMENT BANK GRANTS LOAN FOR POWER PROJECT

Dhaka THE BANGLADESH OBSERVER in English 23 Nov 83 pp 1, 12

[Text] Asian Development Bank will provide Bangladesh an interest free concessional loan of 0 82 million for a Power Transmission and Distribution Project in Bangladesh, says a PID handout.

An agreement to this effect was signed in Manila on November 18 by Kazi Fazlur Rahman, Alternative Executive Director and Mr. Fujioka, President, ADB on behalf of Bangladesh and ADB respectively.

This is the largest single concessional loan so far provided by ADB to its borrowing countries. With this, the total loan to Bangladesh stands at \$1,150 million.

At present, Bangladesh is seeking to reduce its dependence on imported oil by increasing power generation through the use of natural gas abundantly available in the country's East Zone and transmitting surplus power to the West Zone which has no locally available gas energy sources.

To support the Government's effort for energy development, the Bank's Project is aimed at upgrading the voltage of the transmission line connecting the East and West Zones from 132 kv to 230 kv, and expanding the distribution network in the metropolitan and other coastal areas of Chittagong district to meet the loads forecast through 1990-1991.

The Project consists of two parts. Part A includes the construction of a 230 kv double circuit transmission line from Ghorasal to Tongi and expansions of the substations at Tongi and Ishurdi to enable the operation of the East-West Interconnector at 230 kv, which will raise the transfer capacity of the East-West Interconnector from 200 MW to about 400 MW.

Part B includes the expansion of the distribution network in the metropolitan area and certain other areas of Chittagong district to meet the loads forecast through 1990. The Chittagong metropolitan area is the second largest load centre in Bangladesh and accounts for more than 24 per cent of the energy sales in the country. So far the inadequacy of the system has proved a serious constraint to the load growth in this area which has considerable unsatisfied demand and potential for decentralized small and medium industries in

sectors such as fisheries, cold storage, forest products timber plantations and tourism, as well as agro-industries and irrigation pumping.

The Project will result in reducing regional imbalance through making available to the West Zone less expensive power than has been possible up to now; facilitating improvement in production and productivity in the industrial and agricultural sectors by expanding electric power distribution facilities in areas which have the potential for such development and curtailing the cost of energy supplies, thus enabling the projected growth in commercial energy consumption and improvement in institutional viability of power agencies.

The Bank's loan will finance the entire foreign currency cost of \$74,25 million and part off the local currency cost of \$7, 75 million. The remaining local currency cost of \$28.54 million will be financed jointly by the Government and by the Bangladesh Power Development Board.

CSO: 4600/1331

HOME MINISTRY'S PRESS NOTE ON 23 NOV SITDOWN STRIKE

Dhaka THE BANGLADESH OBSERVER in English 23 Nov 83 pp 1, 12

[Text] The Ministry of Home Affairs on Tuesday night issued a Press Note on the incident that took place in front of the Bangladesh Secretariat in the morning says BSS

The Press Note said:

Some political parties in pursuance of their previously announced programme of launching a 'civil disobedience movement' against the Government attempted to stage a sit-down strike in front of the Bangladesh Secretariat on 22.11.83. Their professed intention was to prevent the Government employees from entering the Secretariat on that day and to cause thereby serious dislocation in the transaction of public business in the Secretariat which is the seat of the national government.

"Some supporters of these political parties came in rowdy processions armed with sticks and rods in the morning and tried to hold illegal assemblies in front of the Secretariat. The police on duty resisted the violent processionists when they tried to damage public properties and obstruct the normal flow of traffic. The unruly mob attacked and damaged three trucks and burnt one at the North-South Road. They also resorted to heavy brick-battling damaging the police box at the north-east corner of the Secretariat and seriously injuring a number of police personnel on duty. With a view to maintaining law and order the police took prompt measures to disperse the unlawful assemblies and arrested 32 persons from different spots around the Secretariat.

"The Government cannot but deplore the overt acts of lawlessness being encouraged by some political parties; no Government can allow its Secretariat to be besieged and its normal functioning disrupted by any groups of people by preventing the public servants from entering their offices and discharging their duties; which will seriously affect the interests of the people and the country.

"Such acts will only impede the creation of a congenial climate which is vitally necessary for the restoration of democracy and the implementation of the country's developmental programmes. While reiterating its determination to maintain public order and discipline the Government hopes that the political parties will realise the consequences of these dangerous courses of action and refrain from resorting to any activities which are detrimental to peace and stability in the national interests'

CSO: 4600/1331

## PRC MILITARY DELEGATION CALLS ON NAVY CHIEF OF STAFF

Dhaka THE BANGLADESH OBSERVER in English 23 Nov 83 pp 1, 12

[Text] The visiting Chinese military goodwill delegation led by people's Liberation Army (Navy) Commander Admiral Liu Hua Qing called on the Chief of the Naval Staff and DCMLA Rear Admiral M. A. Khan at the Naval headquarters on Tuesday, reports BSS.

On arrival at the Naval headquarters the Admiral was presented with a guard of honour by a smart contingent of Bangladesh Navy.

During his visit Admiral Khan welcomed the visit of the PLA (Navy) Commander and termed it as another milestone in the happy and cordial relationship between our two Navies two Armed Forces and the two peoples. Admiral Khan thanked Chinese Navy Commander for very valuable and sincere support given by China for strengthening the national defence and economic progress of Bangladesh.

Admiral Khan mentioned further that sincere and cordial relations between China and Bangladesh is the best safeguard for stability and peace in this part of the world. He apprised the Chinese Commander of various people-oriented and rural-biased development scheme of present Government under Gen. Ershad which was warmly acclaimed by the Chinese leader.

Admiral Liu Hua Qing thanked Bangladesh Government for the kind invitation to visit Bangladesh and appreciated the enormous progress made in all walks of life since his last visit to Bangladesh and wished Bangladesh still better progress and prosperity under present Government. In future days he assured that Chinese people and government will continue to support Bangladesh in the consolidation of their national sovereignty and economic betterment of the friendly people of Bangladesh.

The Chinese delegation has proceeded to Chittagong for a two-day visit. During the visit they will also visit BN ships and establishments in harbour and at exercise in Bay of Bengal.

The Chief of the Naval Staff Bangladesh Navy Rear Admiral M. A. Khan will accompany the Chinese Admiral during demonstration at sea.

CSO: 4600/1331

PRESS STATEMENT ASSAILS AZIZUR RAHMAN SPEECH

Dhaka THE BANGLADESH OBSERVER in English 23 Nov 83 p 3

[Text] Mr Mizanur Rahman Bablu Organising Secretary of the Supreme Command Council of Muktiyudha Sangram Parishad and Convener of Dhaka City Command Council on Monday criticised BNP leader Shah Azizur Rahman for his reported statement at a public meeting at Tangial reports BSS.

In a Press statement, he said 'in his speech Shan Azizur Rahman threatened to install Begum Khaleda Zia in power through movement in the style of 1969 mass upsurge and that of November 7 revolution of people and soliders.' In his speech Shan Azizur Rahman has sought to bring the Armed Forces and the people on the path of confrontation he charged.

Mr. Babul said "Shah Azizur Rahman through his anti people activities always looked after loaves and fishes" He reminded Shah Azizur Rahman to recall what he said when the Opposition political parties luunched movement threatening to boycott eh presidential election two years ago to press home their demand for Parliamentary system of Government instead of presidential form of overnment Why he did not speak in favour of Opposition? He asked.

Mr Bablu wanted to know from Snah Azizur Rahman whether he could realise the intrinsic meaning of the November 7 revolution staged by the people and soldiers under the leadership of late Col. Abu Taher in the greed for power people like Shah Azizur Rahman had put down with iron hands movements including that of November 7 in favour of the demand for building up pro people and production oriented Armed Forces instead of mercenary types and sent to the gallows many Freedom Fighters together with the pro people awareness' ne alleged.

Mr Bablu called upon the 'people and the Freedom Fighters to be on their guard against the conspiracy to capture power in tne way threatened by Shah Saheb He also made an appeal to the people to build movement for building pro-people and production oriented Armed Forces instead of colonial type of mercenary Armed Forces by sharpening the awakening of November 7".

Mr. Bablu in his statement also called for recognising the contribution of late Col. Abu Taher and build a monument in his honour.

He further said speeches of Shah Azizur Rahman were provocative and motivated and the expression of a design to push the country to the brink of civil war" such a happening would not augur well for a poor country like ours he said

He said each member of the Armed forces was a son of this country and he was not isolated from the people. He demanded punishment for those who like Shah Aziz Saheb wanted to create misunderstanding between the people and the Armed Forces through their speeches and activities and undermine the independence and sovereignty of the country by bringing the people and the Armed Forces on a course of confrontation".

CSO: 4600/1331

JAPAN LIFTS IMPORT DUTIES ON BANGLADESH JUTE GOODS

Dhaka THE NEW NATION in English 24 Nov 83 pp 1, 8

[Article by Shamsuddin Ahmed]

[Text] TOYKO, Nov. 23--The Japan government decision to waive import duty on Bangladesh jute goods as a special measure will have positive impact on the future trade between the two countries.

The duty levied 8 to 12 per cent will go from April next year.

The traders in Tokyo were optimistic that the decision will help open wider the Japan market to Bangladesh products. They, however, said the process of increased import of jute goods will be slow in view of their heavy dependence on synthetics.

The Bangladesh Government will now be in a position to negotiate with other jute goods importing developed countries for similar duty concession.

Import of jute goods from Bangladesh to Japan declined rapidly in recent years widening the trade balance in favour of the latter. It came down to worth 3.09 million US dollar in 1981 from 6.84 million in 1979.

Total import of Japan from Bangladesh in 1981 stood at about 28 million U.S. dollar as against the export of 56 millions.

Meanwhile, a monthzlong single country Bangladesh exhibition in Tokyo ended Monday. A large number of manufactured items including jute carpet and handi-crafts were on display.

The exhibition sponsored by the Japan External Trade Organisation (JETRO) drew a considerable number of visitors.

Mr T. Kuwabara, an industrial manager from Osaka showed keen interest in jute carpet. He expressed his willingness to visit Dhaka shortly to examine if jute carpet could be improved to suit the Japanese market.

According to Mr Kuwabara, the size of jute carpets was larger and the colour faded away after few months. They want the carpet in rolls.



Officials at the exhibition received queries about short human hair and coconut shell. Human hair which goes to waste in Bangladesh saloons are used for producing amino acid while useful flour is produced from coconut shell.

A delegation from Tokyo will go to Dhaka in the middle of next month for the second meeting of the Bangladesh-Japan joint chamber of commerce and industry.

Mr Kikuo Ikeda will lead the delegation told the New Nation that they will be interested in the planning of Chittagong free trade zone for possible investment. They will also enquire about certain spices for import.

The first meeting of the joint chamber was held in Dhaka in 1980 and the second one was scheduled for the following year also in Dhaka. But it could not be held "because of uncertainty following the assassination of President Ziaur Rahman", Mr Ikeda said.

He said the pace of cooperation in the private sector trade and investment in Bangladesh was largely hampered by the postponement of the meeting of the joint chamber. He expressed the hope that cooperation with Bangladesh will now get momentum.

CSO: 4600/1330

DRAFT PROVISION ON DEPUTY COMMISSIONERS CIRCULATED

Dhaka THE NEW NATION in English 24 Nov 83 pp 1, 8

[Article by Hasan Abul Quashem]

[Text] The government is going to refix the duties and responsibilities of Deputy Commissioners in conformity with the administrative reforms and policies.

The Cabinet Division in its draft proposal circulated recently to different ministries and divisions underlined the responsibilities of political intelligence works for the Deputy Commissioners. In a 37-point prescribed charter of duties, there is a provision for submission of fortnightly confidential reports to the government on political and related matters. The DCs will have to submit special political information to the government. These were proposed under the head of "political and confidential functions."

Some of the ministries and divisions raised questions as to this provision and opined that such task should not be vested on the administration and these might be placed under the intelligence organs. Some officials said that "Using this provision, the government often used it as a tool in selecting people for the ruling party and thus exercised control over the legislature." Though this had been a common phenomenon since 1975 it was first recognised in this draft government document. But the respective divisions did not endorse their views to the Cabinet Division.

Besides, the DCs will perform duties regarding revenue collection magistracy, public order and security, state secret matters, mass mobilisation, ansar and VDP, border issues, boundary demarcation, anti-corruption and other important functions.

The draft proposal envisaged different strengths for the district administrations according to the size of the district.

With the creation of about 460 upazilas and subsequent abolition of sub-division as a tier of the administration, the work load of the DCs have considerably increased in almost all matters because earlier SODs shared some responsibilities. The physical span of control has also increased following the administrative changes and their supervisory works have been multiplied due to their direct responsibilities in supervising the upazila set-ups and UNOs.

Besides, following the government decision to retain the DC's position as a powerful tier of the central administration, the supervisory role of DCs have become very critical in many respects. The DCs will not perform any responsibility for the coordination of the activities of the development departments at the district level.

Under the new set up there will be four categories of district administration according to their size in terms of upazilas under its control. After the abolition of the present sub-divisions, there will be variation in sizes of districts ranging from eight to 37 upazilas instead of earlier size of only five to seven subdivisoas.

Under the new system, the smallest districts which have eight and less upazilas will be termed as one unit. They will have one ADC (Development and General), one ADC (Revenue) and one ADM. The post of DC, administrative officers and accounts officers will, however, remain constant.

The outlying headquarters of upazilas will be given one or two Assistant Commissioners in addition to standard upazila set up. Similar will be the case in respect of important upazila towns.

There was a proposal for two city magistrates for Khulna and one for Rajshahi with a supporting staff of trying magistrates.

The Cabinet Division has prepared the draft proposal following a decision of the National Implementation Committee for Administrative Reforms on October 18 last. The new charter of duties will be finalised after receiving the opinions of the different ministeries and divisions.

CSO: 4600/1330

ZIA RAHMAN'S WIDOW ADDRESSES CHITTAGONG RALLY

Dhaka THE NEW NATION in English 24 Nov 83 pp 1, 8

[Text] NOVEMBER 23--Begum Khaleda Zia, senior vice-chairman of the Bangladesh Nationalist Party (BNP) today called upon the people to be imbued with the spirit of historic November 7 with a view to restoring democracy and peoples right.

She was addressing a public meeting at Laidighi Maidan this afternoon. Organised by city unit of BNP the meeting was addressed among others by former Prime Minister Shah Azizur Rahman, former Speaker Mirza Golam Hafiz, former Deputy Speaker Barrister Sultan Ahmed Choudhury, Cap (retd) Abdul Halim Chowdhury, Col (retd) Oli Ahmed, L. K. Siddiqui, Abdul Alim and Barrister Anisul Islam Mahmud.

Reciprocating her sentiment with the processionists, Begum Zia asked them to continue their struggle until the 5-point demands were met and democracy was restored adding that the struggle was initiated on November 1 through observing a countrywide barter.

Reminding the people of the declaration of independence by the late President Zia on 1971, she called upon them to join the movement for restoration of democracy.

Referring to the government propaganda against her party, she claimed that her party was the best party and the government of late President Zia the best government which were evident from present regime's threat to the leaders and workers of her party to bring them in their fold. Begum Zia said that "Naraaya takbir Allahu akbar" is her party slogan which will enthuse the people to establish true democracy in the country. She was critical about the present government for its cancelling the "gram sarkar" initiated under 19-point programme.

Release Demanded

Begum Zia demanded immediate unconditional release of all political leaders including the former BNP ministers and leaders and withdrawal of all false fabricated cases against her party workers. She called upon the people to make the sit-in demonstration on November 28 a success.

Speaking on the occasion Shah Azizur Rahman asked the government to hand-over power to Justice Abdus Sattar and warned that the people and his party would not let government to hold presidential election within the tenure of elected president. He demanded parliamentary election as the tenure of office of member of parliament will be completed this year. In this regards, he advised the CMLA to hold referendum seeking people's mandate on presidentias and parliamentary poll schedule. He declared that people will reject CMLA's election schedule.

Addressing the meeting Mirza Golam Hafiz advised the government to refrain from misguiding the people in the name of Islam and also making statemet about the constitutional bar in holdding parliamentary election prior to the presidential one.

Begum Zia earlier visited the place at Rangunia where late President was first buried immediatey after his assasination. She later visited Circuit House where late President was killed. She was accompanied by her party leaders.

CSO: 4600/1330

SHEIKH HASINA ADDRESSES TONGI MEETING ON 24 NOV

Dhaka THE NEW NATION in English 25 Nov 83 pp 1, 8

[Text] Awami League President Sheikh Hasina Wazed yesterday said that the 15-party alliance was not struggling to put any particular person to power but to restore democracy and fundamental rights.

Addressing a large public meeting at Tongi in the evening the Awami League Chief reiterated her call for making the sit-in programme of Nov. 28, a success. Presided over by Abdur Rashid Bhuiyan thana committee chairman of the Communist Party of Bangladesh, the meeting was also addressed by Awami League presidium member Abdul Mannan, Shah Mohammad Abu Zafar of Baksal, Shajahan Sirai of JSD, Khalequzzaman Bhuiyan of BSD, Kazi Akram Hossain of CPB, Mohammad Toaha of Samyabadi Dal, Kamal Haider of NAP (M), Suranjit Sengupta of Ekota Party and Nirmal Sen of Shramik Krishak Samajbadi Dal.

Sheikh Hasina noted that with the killing of Bangabandhu Sheikh Mujibur Rahman the process of transfer of power through killing settled in. She observed that since then the political scenario changed and people in uniform first took over power and then joined politics by arranging farcical elections. She called for stopping this trend and called upon the CMLA to enter politics in plain clothes.

Sheikh Hasina said that they were not opposed to armed forces but were opposed to military rule. She said that they wanted an end to military rule so that ambitious few could not use the armed forces for their personal interests.

Referring to the alliance's demand of holding the parliamentary polls first she said that the past two presidential elections could not beget any good for the millions. In this context she said that the country was passing through a stage and people's sufferings have reached its peak with the soaring price hike, corruption has badly affected the administration and law and order situation has deteriorated alarmingly. Sheikh Hasina said there was not stability in the country and stability was precondition for economic development. Like elsewhere in the world military rule could not bring any good to people, she added.

Shajahan Siraj

Shajhan Siraj, Joint Secretary of JSD said that there was deliberate attempt on the part of the government to depict the scheduled sit-in strike as a ghetto movement. He said they were not immediately going to gherao programme but would resort to that when time would be necessary and then they would non gherao the secretariat but would gherao the seat of power. Turning to the proposed "Janadal" of Lt. General Ershad he raised a question why the intelligence and generals in bulk crowding the central committee of the proposed party. He said it was evident that the proposed party would prove to be a "jagaddal (heavy stone)" and said that the people would reject it and throw it to the bay of Bengal.

Suranjit

Suranjit Sengupta of Ekota Party said by issuing press note against the proposed sit-in strike the government was curtailing the right granted by it a few days ago. He said that freedom of speech and assembly does not violate the open politics as granted by the martial law authorities.

Nirmal Sen

Nirmal Sen of Sramik Krishak Samajbadi Dal vehemently criticised the government repression on trade union organisations and called for holding election of the collective bargaining agents. In this connection Mr. Sen called upon the Tongi workers to march towards Dhaka with the slogan "chalo chalo Dhaka chalo (move towards Dhaka)" on Nov. 28 to join the sit-in strike. He also called for waging a united movement if their five-point demands were not met within the date.

CSO: 4600/1327

ABDUL RAZZAK CALLS FOR HANDING OVER OF POWER

Dhaka THE NEW NATION in English 25 Nov 83 pp 1, 8

[Text] MYMENSINGH, Nov 24 (ENA)--Bangladesh Krishak Sramik Awami League (Baksal) General Secretary Abdur Razzak today called for handing over power to "an interim and care taker government to be headed by the Chief Justice of the Supreme Court of Bangladesh."

Addressing a big public meeting at the local Town Hall Maidan he said the proposed interim government should be entrusted with the task of holding elections to parliament within six months from the day of assuming the office.

Explaining the rationale for the demand of election to parliament Mr Razzak said the elected representatives of the people alone have the right to determine the future system of the government. No individual should take decision on such vital issue, he added.

This was the first public meeting of the Baksal.

CSO: 4600/1327



JOURNALISTS, EDITORS PROTEST PRESS RESTRICTIONS

Dhaka THE NEW NATION in English 28 Nov 83 pp 1, 8

[Excerpt] Journalists and editors together yesterday took to streets to protest against government restrictions on the media of the country.

With the editors and journalist leaders in the front they brought out a procession around the noon from the National Press Club. Prior to that a rally was held at the Press Club where the editors and leaders of journalist unions addressed the gathering expressing their determination to uphold press freedom and resist all sorts of restrictions on the press.

A three-hour token strike from 11 a.m. to 2 p.m. was observed in all newspapers and news agencies yesterday.

In response to a call of Bangladesh Federal Union of Journalists, newsmen all over the country also protested government restrictions on the press by observing [words illegible] through holding rally and bringing out procession.

The BFUJ units of Chittagong, Rajshahi, Bogra, Khulna and Jessore observed the day through successful programmes.

In the city, editors of the national dailies and news agencies attended the rally of Dhaka Union of Journalists and joined the procession.

Presided over by President of DUJ Mr Anwar Zahid, the rally was addressed by Ittefaq Editor Mr Anwar Hossain, New Nation Editor Mr. Motahar Hossain Siddiui, the Holiday Editor Mr. Enayetullah Khan, Sangbad Editor Mr Ahmedul Kabir, Observer Editor Mr Obaidul Haq, Danik Bangla Editor Mr Shamsur Rahman, Dainik Desh Editor Mr Sanaulah Noori, Bangladesh Times Editor Mr A. M. Mofazzal, Danik Sangram Editor Mr Abul Assad, Dianik Banglar Bani Editor Mr Fazlul Karim Selim, ENA Editor Mr Golam Rasul Mallik, BFUJ President Mr Ahmed Humayun, Secretary General Mr Reazuddin Ahmed and DUJ General Secretary Mr Amanullah Kabir.

The speakers demanded withdrawal of Martial Law, repeal of black laws, withdrawal of cases against Dainik Desh editors, release of the Runner Editor, and lifting of ban on weekly Ittebad and Jay Bangla.

They expressed determination to uphold press freedom and called upon the government not to interfere in the decision making authority of the newspapers.

They observed that press freedom is such a thing that none can give but to be achieved adding that the struggle for press freedom is a continuous struggle.

Referring to CMLA's statement on the freedom of press, they said that the words of the government are not in keeping with its deeds. As a result there have been misunderstanding among the people about the journalists, they said.

The rally was followed by a procession that passed through Motijheel and ended at Baitul Mukarram.

Several resolutions were taken at the rally. The resolutions were read out by DUJ Joint Secretary Mr Shahjahan Mia.

CSO: 4600/1319

## TEXT OF PRESS NOTE ON EVENTS OF 28 NOV

Dhaka THE BANGLADESH OBSERVER in English 29 Nov 83 pp 1, 8

[Text] Following Press note was issued by the Ministry of Home Affairs in Dhaka on Monday, reports BSS.

Some political parties, in pursuance of their previously announced programme of staging a sit-down strike around the Secretariat mobilised a large number of people at various corners of the Secretariat this morning. Several prominent political leaders of 15 party & 7 party alliances took part in these assemblies. The crowd gradually became rowdy and at one stage they tried to break the police barricade in order to force their entry into the area cordoned by the police in which unlawful assemblies and processions had been already prohibited under the law. When the police tried to resist their forcible entry into the cordoned area the rowdy elements attacked the police on duty with deadly weapons like iron rods, lathis etc. and subjected them to heavy brickbattling. As a result 223 police personnel and 60 Ansars sustained serious injuries. In order to disperse the crowd which had then become increasingly violent the police resorted to lathi charge and subsequently fired a few gas shells. A militant section of the riotous mob from the south-eastern side moved into Abdul ghani Road and attacked the secretariat with brick bats and incendiary materials. At one stage they forced into the Secretariat by breaking down the southern wall of the Secretariat at a few places attacked the police force on duty set fire to and completely damaged five government transports including the cars of a minister and other government properties. Finding the situation extremely grave and to protect the Secretariat building government employees public properties and to avoid being completely overwhelmed by the riotous mob the police had to resort to firing to disperse them. The firing resulted in the death of 4 (four) and injuries to 10 persons.

A curfew has been imposed throughout the metropolitan area of Dhaka. Necessary measures have been taken to maintain law and order in city, 139 persons have so far been arrested in connection with the incidents.

In this connection it may be mentioned that the government had made it clear in unambiguous terms through its Press notes issued earlier that besieging the Secretariat and preventing the government employees from entering the Secretariat to discharge their duties were illegal and would not be tolerated. Through

these Press notes the government also tried to bring home to the political parties the danger inherent in a programme like gheraoing the Secretariat which is the seat of the national government

The government [appealed] to the leaders of these political parties to disist from resorting to such a potentially dangerous programme fraught with the possibility of creating a serious law and order situation and retarding the implementation of the government's programme for national development and restoration of democracy in the country. The political leaders were also warned through personal contact that they should call off the dangerous programmes as it was most likely to go out of control

It is most regrettable that the political parties did not pay any heed to these repeated appeals and warnings of the government and preferred to proceed with their programme which ultimately cost a few precious human lives and substantial damage to public properties.

CSO: 4600/1318

SOVIET EMBASSY ASKED TO CUT STAFF BY HALF

Dhaka THE NEW NATION in English 30 Nov 83 pp 1, 8

[Article by Matiur Rahman Chowdhury]

[Text] On Monday Soviet Ambassador Valentine Pavlovich Stevenov was told of Bangladesh's desire for a 50 per cent reduction in the strength of diplomatic and other staff members of the embassy and an immediate closure of the Soviet consulate in Dhaka.

According to knowledgeable sources the government decision was prompted by the personnel of the embassy being involved in activities other than normally diplomatic. When last night a foreign office top brass was contacted in the matter all he would say was 'no comment'.

The Soviet embassy in Dhaka now comprises 36 diplomatic staff and over a hundred other employees. This is much bigger than any other diplomatic establishment in Dhaka. Incidentally developed Western states having far more economic and other dealings with Bangladesh have much smaller establishments in Dhaka than the Soviets.

Of the 36 diplomats, four are councillors, seven First Secretaries, three Second Secretaries, three Third Secretaries, five Attaches, three Trade Representatives, one Economic Councillor and one First Secretary attached to him, one Military Attache, one First Secretary and two Second Secretaries in the cultural section, and one First Secretary and one Second Secretary in the information section of the embassy.

Meanwhile, according to a source, an unscheduled Aeroflot flight from Calcutta landed at Dhaka international airport on Sunday at 10-18 a.m. and left for Delhi at 12-26 p.m. but the reason of the unscheduled flight of the Aeroflot plane could not be known. Scheduled Aeroflot flights land at Dhaka on Monday.

CSO: 4600/1315

## ERSHAD SENDS MESSAGE ON PALESTINE SOLIDARITY DAY

Dhaka THE BANGLADESH TIMES in English 30 Nov 83 p 3

[Text] Chief Martial Law Administrator Lt Gen H M Ershad has given a message on the eve of observance on Tuesday of the International Day of Solidarity with the people of Palestine reports BSS.

Following is the message: Today as the International Day of Solidarity with the Palestinian people is being observed all over the world under the auspices of the United Nations, the Government and the people of Bangladesh once again join with the international community in reiterating full and unswerving support to our Palestinian brethren in their just struggle for independence and the realisation of their inalienable and legitimate rights to establish a state of their own in their homeland under the leadership of the Palestine Liberation Organisation their sole and legitimate representative with Jerusalem as their capital.

"The question of Palestine continues to be the crux of the problem in West Asia. It is a major challenge to the credibility of the international community in their efforts to uphold the principles and objectives enshrined in the Charter of the United Nations. No other problem has evoked so much thought unleashed such high degree of indignation in recent times as this issue, the tragedy of a dispossessed nation.

The political entity of the Palestinian people and their rights to establish a state of their own in their homeland is an established fact under international law and jurisprudence. Ignoring their factor would be to discount a reality recognised an overwhelming majority of the world's nation-states. The recognition of the inalienable rights of the Palestinian people to self-determination and the establishment of a state of their own must be the fundamental element of any durable permanent and lasting peace in west Asia.

'Bangladesh has always taken keen interest in and endeavoured to uphold the just cause of the Palestinian people in all international for specially the United Nations. From the very outset Bangladesh has actively advocated for the establishment of the rights of the Palestinian people as a nation.

'I would like to take this opportunity to convey deep appreciation of the Government and people of Bangladesh to the committee on the exercise of the inalienable rights of the Palestinian people in projecting their just cause.'

CSO: 4600/1316

## BRIEFS

AMBASSADOR FROM YAR--Mr Mohammad A. K. Alwazir has been appointed Ambassador of the Yemen Arab Republic to Bangladesh with residence in Islamabad, reports BSS. Born in 1933 Mr Alwazir studied Political Science and Economics at American University in Beirut. A career diplomat Mr Alwazir was appointed Charge d'Affaires in Rome in 1959. Subsequently he was Ambassador to Beirut, Rome, Jordan, and Federal Republic of Germany. In September 1981 he was appointed ambassador to Pakistan. He is married and has four children. [Text] [Dhaka THE BANGLADESH TIMES in English 30 November 83 p3]

ENVOY TO FRANCE--Government has appointed Maj Gen Mohammad Abdur Rahman, psc, at present Officer on Special Duty in the Ministry of Foreign Affairs, as Ambassador of Bangladesh to France, it was officially announced in Dhaka on Tuesday, reports BSS. Gen Abdur Rahman will be proceeding to Paris shortly to take up his new assignment. Gen Rahman held many important positions in the Army. He was promoted as Major General on September 15, 1980. Later he was posted to headquarters of 9 Infantry Division as General Officer Commanding as well as Area Commander, Savar Area and served in that capacity upto August 12, 1983. From March 24, 1982 to August 12, 1983, Gen. Rahman also served as Zonal Martial Law Administrator, Zone "A": [Excerpt] [Dhaka THE BANGLADESH TIMES in English 30 Nov 83 pp 1, 8]

PEOPLE'S LEAGUE DIVIDED--The Bangladesh People's League led by Dr. Aleem-Al-Razee has again divided following expulsion and counter action. The Central Committee of the party in a resolution in its meeting on Friday dissolved the present committee and requested the party Chairman Dr. Razee to form a new committee, says a Press release Dr. Razee presided over the meeting held at his residence. While another Press release signed by the party's General Secretary Mr. Nur Muhammad Kazi says that the Central Committee in a resolution on Friday discussed 11 allegations Against party Chairman and relieved Dr. Razee of his responsibilities. The committee also decided to hold council session within three months and requested Vice Chairman Mr. Sultan Ahmed to perform the duties of chairman. [Text] [Dhaka THE BANGLADESH OBSERVER in English 19 Nov 83 p 1]

INDO-BANGLADESH MEET--NEW DELHI, Nov. 18--The third meeting of the Indo-Bangladesh Joint Economic Commission will be held in New Delhi in the middle of next year the Indian Parliament was informed today, reports BSS. Answering questions in the Upper House, State Minister for External Affairs A. A. Rahim

detailed the outcome of the second meeting of the JEC in Bangladesh capital in August, this year. The ministerial-level commission at the Dhaka talks worked out a number of proposals to expand area of cooperation between two countries for their mutual benefit, he said. Mr. Rahim placed a copy of the joint statement issued after the meeting and said the bilateral economic cooperation under the aegis of the JEC would continue. [Text] [Dhaka THE BANGLASH OBSERVER in English 19 Nov 83 p 12]

ORDINANCE ON TRADE UNIONS--The Government has decided to suitably amend the Industrial Relations (Regulation) Ordinance 1982 to enable the trade unions to enjoy unfettered rights to hold meetings and to determine collective bargaining agent through election according to a PID handout. It may be mentioned that the Government in the recent past took certain precautionary measures in the interest of industrial peace, increased productivity and for healthy growth of industries in the country. The Government hopes that this sincere effort for amendment of labour laws for free trade union activities in the country will remove the misgivings now prevailing in some sections of the people and help maintain uninterrupted industrial peace and discipline in the interest of national productivity. [Text] [Dhaka THE BANGLADESH OBSERVER in English 25 Nov 83 p 1]

TEA TO SAUDIS--Bangladesh has won a contract worth Saudi Riyal 1.7 million to supply tea to Saudi Arabia. The contract was procured by the Bangladesh tea trade delegation now visiting Saudi Arabia. The delegation from the private sector, sponsored by Bangladesh Tea Board met Dr. A Soliman, Solai Saudi Minister of Commerce in Riyadh and held discussions with the Saudi officials and representatives of the trade, says a Press release issued by Bangladesh Tea Board. The delegation will be visiting Egypt, Kuwait; Abu Dhabi; Oman and Pakistan to promote the export sale of Bangladesh tea in Muslim countries. [Text] [Dhaka THE BANGLADESH OBSERVER in English 26 Nov 83 p 1]

UNESCO MEETING PLANS--Bangladesh is going to host the fifth meeting of Education Ministers of the countries of South and South East Asian region some time next year. Besides the first conference of National Commissions for UNESCO is also likely to be held in Dhaka after the meeting of Education Ministers. This was disclosed by Education Minister Dr Abdul Majeed Khan at a seminar on UNESCO's role in universalisation of education at Hotel Purbani on Friday. The Education Minister also said that the legal framework for the establishment of a regional office of UNESCO in Dhaka had also been formed the Minister added. [Text] [Dhaka THE BANGLADESH TIMES in English 26 Nov 83 p 1]

LOAN FOR TISTA--The Saudi Fund for Development will extend a loan of 105 million Saudi riyals equivalent to about 30 million US dollars towards financing the Teesta Barrage Project, according to official sources in Dhaka on Wednesday night, reports BSS. Earlier the Board of Directors of the Saudi Fund for Development has approved to participate in principle in financing the Teesta Barrage Project. The loan is recoverable in 25 years including a grace period of five years with only one per cent loan charge per year. The implementation of the Teesta Barrage Project will entail a total expenditure of Taka 448 crore with a foreign exchange component of Taka 45.07 crore. [Text] [Dhaka THE BANGLADESH TIMES in English 24 Nov 83 p 1]



PRC RAILROAD TEAM--SAIDPUR, Nov 21-- A six member Chinese locomotive delegation visited Saidpur Railway workshop recently reports BSS. Members of the delegation mostly engineers went round different sections of the work shop and surveyed the workings there. [Text] [Dhaka THE BANGLADESH TIMES in English 22 Nov 83 p 8

TIES WITH TANZANIA--Bangladesh and Tanzania have decided to establish diplomatic relations at ambassadorial level as of November 10, 1983, a Foreign office announcement said, reports BSS. The Government of Bangladesh has also decided to concurrently accredit Mr A B M G Kabria, its High Commissioner to Kenya, as High Commissioner to Tanzania with residence in Nairobi. [Text] [Dhaka THE BANGLADESH TIMES in English 10 Nov 83 p 1]

CSO: 4600/1333

## UPPER HOUSE DISCUSSES U.S. MISSILES SALE TO PAKISTAN

Bombay THE TIMES OF INDIA in English 19 Nov 83 pp 1, 7

[Text] NEW DELHI, November 18--The external affairs minister, Mr. P. V. Narasimha Rao, told the Rajya Sabha today that India would be constrained to take appropriate measures to counter the threat posed by an increase in the quantity of patently offensive weapons systems, including the Harpoon missiles, supplied by the U.S. to Pakistan.

Mr. Rao told Mr. S. W. Dhabe (Cong-S) and Dr. Bhai Mahavir (BJP) that the government of India had been given to understand by the U.S. officials that the classified notification sent to the Senate on September 12 related to Harpoon missiles. The notification was couched in a "secretive language because the number of missiles to be supplied did not seem to have been decided nor were the sources of finance." The offensive weapons system posed a greater security threat to India.

## Secret Deal

Mr. Dhabe and Dr. Mahavir had based their question on newspaper reports in which speculation was made about the use and range of the weapon supplied to Pakistan. Mr. Narasimha Rao said that he could not categorically contradict the speculation since he had no means to do it.

Dr. Mahavir charged Mr. Rao with holding a brief for the U.S. This was the first time classified cover was being used for the weapons supplied by the U.S. to Pakistan. The Harpoon missiles fitted in F-16s could play a defensive role in Afghanistan and as a weapon for strike against India.

The member said that the government should have sought more clarifications since it would seem that Pakistan had already exhausted \$1.6 billion loan for buying U.S. weapons and was now negotiating further loans.

Mr. Narasimha Rao said that the explanation given by the U.S. to India went only part of the way. He would, however, continue to try to get further information.

Mr. G. R. Muttoo (NC) wanted to know if Mr. Rao had taken up the question of supply of U.S. arms with Pakistan during the bilateral talks with that country. Mr. Narasimha Rao said it was a constant item on the agenda.

## Balance Tilted

The minister told Mr. Ramanand Yadav (Cong-I) that two or three years ago when F-16s were supplied to Pakistan, the balance of power had already tilted in favour of that country since it was a new generation of aircraft introduced in the sub-continent for the first time. India had communicated this view to the U.S. and stressed that it had increased security threat to India. But the U.S. did not agree with this view.

"The U.S. arms supply had been taken up with Pakistan during the talks on their draft of the no-war pact and our proposal for peace and friendship treaty. But Pakistan did not seem to share our view. But we are talking on this issue", he added.

Mr. Kalyanasundaram (CPI) alleged that the U.S. government was "attacking" India (by supplying arms to Pakistan) so that it retreated from its policy of peace and non-alignment. He wanted to know if the NAM countries were concerned about the U.S. supply of arms to Pakistan. It was necessary for India to build up public opinion against it, he said.

Mr. Narasimha Rao said that the NAM was concerned not only about the U.S. arms supply in the sub-continent but also in other theatres of tension. He also observed that the issue would not figure at the forthcoming Commonwealth conference.

CSO: 4600/1300

## PAPERS REPORT STEPS TO IMPROVE DEFENSE READINESS

## Defense Minister's Trip

Madras THE HINDU in English 18 Nov 83 p 9

[Article by G. K. Reddy]

[Text] NEW DELHI, Nov. 17--The Indian policy of diversifying the country's defence purchases, without in any way down-grading its special relationship with the Soviet Union in this sphere, has been carried forward during the visits of the Defence Minister, Mr. R. Venkataraman to Britain, France, Sweden and Austria, where a series of collaboration and credit agreements were discussed for the purchase and manufacture of a wide range of equipment.

Apart from obtaining credit facilities to finance the purchases, the talks with these four West European countries covered plans for transfer of technology and cooperation in the design, development and manufacture of many latest weapon systems, including a light combat aircraft, radar, new missiles, airborne early warning equipment, electronic countermeasures and modern high-calibre 155 mm guns.

In an informal chat with newsmen, the Defence Minister, who returned from his fortnight-long tour yesterday, said India had decided to buy more Sea Harriers which were the best of their kind in the world for vertical take-off and-landing operations from an aircraft-carrier with the capability of operating forward, backward and sideward with the very latest electronic equipment. He said India was also purchasing Sea Eagle missiles and Sea King helicopters from Britain.

R-Day flypast: British Aerospace, the manufacturers of both Jaguars and Sea Harriers, has agreed to make available to India on mutually agreeable terms any technical advances made for updating these two aircraft. A Sea Harrier will be flown at the Republic Day parade by an Indian pilot to display its versatility under operational conditions.

Britain and France were competing for the collaboration agreement for assisting India in designing and developing the light combat aircraft. France was also keen that India should exercise its option to manufacture Mirage-2000 under licence.

A flight demonstration was given during Mr. Venkataraman's visit to show the fire-power, climbing capacity and operational efficiency of this aircraft.

The Mirage-2000 can rotate, climb at an angle of 90 degrees and fire a medium range missile that would give this aircraft an edge over the F-16 in interception. India has time till the end of June 1984 to exercise the option of manufacturing this plane under licence if it decides to avail itself of the new French terms. But it has decided for all practical purposes to switch over to the MIG line following the Soviet promise to make available a latest version that would far exceed the F-16's performance.

**Early warning system:** The Defence Minister, who was accompanied by the Defence Secretary, Mr. S. M. Ghosh, and the Scientific Adviser, Dr. V. S. Arunachalam, also discussed collaboration arrangements for helping India to develop its own early warning system. The Indian idea is not to go in for the highly expensive AWAC system developed and operated by the U.S. with on-board scanning, computer and command controls. The Indian Air Force would be quite happy with a modest alternative that includes airborne radar observation and facilities to feed the data into a ground-based computer which will process the information and pass on automatically the location of enemy aircraft to the IAF station in command of the operations.

Another important project discussed by the Defence Minister and his advisers in France and Sweden relates to India's decision to acquire high-calibre, radar-controlled, automatic-firing 155 mm guns with a zero to 72 degrees elevation which would give them a range of 24 to 39 kms. These guns will be available both in towed and self-propelled versions for use both on the plains and in mountain warfare to fire over the ranges by taking advantage of the high elevation of 72 degrees.

Austria also offered some very latest artillery for complementary production in the range of 125 to 155 mm guns. All these offers will be processed by defence experts before the Government decides. The earlier negotiations with the U.S. for the purchase of these 155 mm guns have been given up and now India is trying to come to an arrangement with one of the West European countries for both purchase and manufacture under licence.

**Attractive offer:** The French made a very attractive offer for the supply of tank turrets to be fitted on to the Vijayanta chassis built at Avadi for mounting some of the high calibre guns in the range of 125 to 155 mm. An Indian platform will be taken to France shortly to fit a French-built turret on it and experiment with different types of guns, before proceeding with the negotiations for this project.

**Sea Harriers for Vikrant:** India's lone aircraft carrier, the INS Vikrant will get the Sea Harrier aircraft during the course of next month (writes Our Cochin Staff Reporter).

A Navy spokesman told newsmen today on board the ship which has come on a routine visit to Cochin that pilots were being trained on the new aircraft.

The carrier recently underwent modernisation and more sophisticated systems had been incorporated in it. Quite a lot of indigenous equipment had been used, the spokesman said.

The INS Vikrant commissioned in 1961 is at present commanded by Captain Kasz Raju.

#### Improvements in Jaguars

Bombay THE TIMES OF INDIA in English 23 Nov 83 p 7

[Text] NEW DELHI, November 22 (PTI)--The government proposes to improve the Jagua fighter aircraft by installing modern radars and a futuristic navigation attack system, the minister for defence, Mr. R. Venkataraman, told Mr. Satya Pal Malik in a written reply in the Rajya Sabha today.

Discussions were on hand with a number of aircraft firms abroad for possible consultancy in designing, developing and manufacturing a light combat aircraft (LCA).

The LCA was going to be a truly indigenous aircraft. Through its design and development, the country was trying to reinvigorate its aeronautical industry to higher technological capability, the defence minister said.

Replying to a written question of Mrs. S. C. Mohanta, the defence minister said that adequate indigenous capability existed for production of combat aircraft. Capability of designing combat aircraft [al]so existed to some extent.

Within the techno-economic constraints, all possible steps were being taken to strengthen the design base for development of combat aircraft to meet the future requirements of the Indian Air Force.

CSO: 4600/1299

## INDO-SOVIET COOPERATION IN NONFERROUS METALLURGY

Madras THE HINDU in English 19 Nov 83 p 7

[Text]

NEW DELHI, Nov. 18.

An Indo-Soviet protocol, signed here today, envisaged cooperation between the two countries in many areas of non-ferrous metallurgy.

Signed for India by Mr. P. K. Basu, Secretary, Department of Mines, and for USSR by Mr. I. V. Prokopov, Soviet Deputy Minister of Non-ferrous Metallurgy, the protocol is a finale to the fifth meeting here of the working group on non-ferrous metallurgy of the Indo-Soviet Joint Commission on Economic, Scientific and Technical Cooperation.

As a sequel to a general agreement for the use of Soviet technology for high-speed shaft sinking, tunneling and raising, signed last month, the protocol provides that two public sector units, i.e., Bharat Gold Mines Limited (BGML) and the Mineral Exploration Corporation Limited (MECL), will now prepare specific projects and sign contracts with the Soviet organisations.

For Korba aluminium plant, it is proposed to undertake studies for the reduction of power consumption as well as cryolite consumption. USSR will prepare a draft contract for these studies and send it to India.

Referring to the scientific and technical cooperation, the protocol identifies the Soviet and Indian organisations that will prepare working plans for three specific programmes.

These relate to the development of methods for selection of representative samples and also processes for selective flotation of polymetallic ores and studies in the theory of flotation and development of new flotation reagents. Quarterly reports on the progress of these programmes will be sent to each other.

**A.P. alumina plant:** The working group discussed cooperation for the alumina plant in Andhra Pradesh. The Indian side explained to the Soviet experts its strategy for financing the project and for the export of alumina to USSR.

The protocol expressed satisfaction at the programme of training and probation of Indian specialists in non-ferrous metallurgy enterprises of USSR, which is being implemented, and said that such cooperation would continue. —

## GANDHI CHARGE OF 'FOREIGN INVOLVEMENT' SCORED

Madras THE HINDU in English 18 Nov 83 p 8

[Editorial: "The 'Foreign Hand' in Indian Politics"]

[Text] THE 'FOREIGN HAND' has been a recurrent phenomenon in the Indian political scene--its malign influence has been seen in campaigns against governments and political parties, in tribal unrest, in agitations in border States and even in moves against certain Chief Ministers. It has, however, remained largely in the realm of vague charges, conjecture and speculation. In this context, the Prime Minister's charge of foreign involvement in Punjab made in Parliament on Wednesday raises serious questions as to the motive and strategy behind it. Certain misguided Indians living abroad have no doubt been vocal and active in the campaign for Khalistan but it is apparent that the Punjab agitation has deeper roots and is essentially home based. It could well be that foreign forces are interested in fuelling the agitation. But given the admittedly tenuous "evidence" and the unprovable nature of the charge, it would have been better for the Prime Minister not to have made it at all in the forum of Parliament.

Political parties in power and in the opposition cannot be oblivious to the deeper implications of such a charge. It often tends to be used as a rallying cry to get the people and other parties into a conformist posture behind the Government. The parties involved on the opposite side are placed on the defensive, having to deny any involvement with foreign powers. In such manoeuvring, the foreign policy implications of repeatedly making such charges are ignored, though the countries that stand accused by implication grow resentful and suspicious. In any event, the charge only weakens the effort to

find a solution within the strictly domestic context of the Punjab tangle. Perhaps even more than all this, it is the atmosphere of distrust and suspicion created by such charges that will be most damaging to the Indian polity. So often has the cry of the foreign hand been raised, that it will not be surprising if the people are lulled into a state of cynical disbelief — dismissing it all as part of the political game.

### **Borrowing from ADB**

AFTER A GREAT deal of hesitation, the Asian Development Bank has made some



encouraging moves on India's application for development loans amounting to \$2 billions over the next five years. The visit of the ADB President, Mr. Masao Fujioka, to New Delhi was intended to set the tone for detailed negotiations on the loan request and a staff mission is to come in January to discuss the areas of financing. The amount of the loan is still uncertain, though Mr. Fujioka has indicated that the Bank will not be able to meet the request for \$2 billions in full. India has sought assistance in agriculture, minor irrigation, fertilizer, energy, power transmission and mining and the Bank President has offered to take up initially projects in energy and power transmission. The ADB has also suggested that, to begin with, the loans could be routed through an established development finance institution like the ICICI.

These moves reflect a gradual change in the attitude of the ADB since India made known its desire to abandon the self-denying role it set for itself at the inception of the Bank and to begin borrowing to meet its needs in the changed circumstances. The Bank's initial response was that it was not inherently geared to meeting the needs of large new borrowers like India and that the traditional borrowers would have the first call on its resources. India had also to contend with the objection from the United States — it has since been withdrawn — that if the Bank were to lend to a large country, there would not be enough funds left for the smaller borrowers. These arguments never did sound convincing in the context of the ADB's actual operations, for its major borrowers, Indonesia and Bangladesh, are not exactly small countries and among the leading beneficiaries are South Korea and Thailand whose per capita incomes are far higher than India's. However, to meet the professed concern over the fate of small borrowers, India had announced its intention to keep off the Bank's soft loan window, the Asian Development Fund, and to confine its borrowing to the market-related lending programme. In terms of the per capita income, population size and need for development financing, India's eligibility to borrow was clear from the start and once the Bank conceded this right, it was only a question of time before the actual assistance started. Following the ADB's third capital increase of 105 per cent, it is expected to grow from a \$10 billion bank to a \$20 billion bank over the next five years. While the assistance from the Bank will be on a limited scale, it can go some way in meeting the anticipated shortfall in the aid from the International Development Association under its seventh replenishment programme. Yet there is no room for complacency on the foreign balances front and no escape from the imperative of having to step up exports substantially to meet the foreign exchange component of the investment programme.

## WRITER DISCUSSES POLITICAL SITUATION IN NORTHEAST

Madras THE HINDU in English 18 Nov 83 p 8

[Article by M. S. Prabhakara]

[Text]

**A** CURIOUS feature of the political situation in Assam is that both the Congress (I) and the Purabani chaliya Lok Parishad (PLP) a component of the All Assam Gana Sangram Parishad with which the All Assam Students Union is leading the agitation in Assam with a stated regional perspective transcending the State and enveloping the whole North-Eastern Region are pursuing a broad political design which runs on parallel lines.

**Political conferences**

While the Congress (I) held in Guwahati on November 10 and 11, the second North Eastern Regional Congress (I) Conference, a successor to the first conference conducted in Dimapur in Nagaland on April 19, 1981 which was then called the conference of the North Eastern Regional Congress (I) Coordination Committee, the PLP is holding a political conference of regional parties of the North Eastern Region in Guwahati.

While the North Eastern Regional Congress (I) Conference was intended ostensibly to bring together the "seven sisters" with an addition in the shape of Sikkim — a government notionally led by the Congress (I) is involved in a barely concealed life and death struggle with the Governor who is more demonstrably a Congress (I) man than the Chief Minister — the PLP is organising its conference with a view to forging and further strengthening a North Eastern political identity which it has been pursuing relentlessly though not with much success.

Of all the components of the Assam agitation, the PLP which came into being in January 1978 in some ways stands apart in that its very name, its *raison d'être*, imposes upon the party a perspective and political philosophy that takes it much further from the limited aims of the Assam agitation — the solution of the problem of foreign nationals and the State's economic development.

**Genuine trend**

The PLP also reflects a genuine, though still weak, trend within the broad spectrum of the Assam agitation. Indeed, such regional perspectives, a wider dimension and appreciation of the Assam problem, were inherent in organisations like the AASU spearheading the agitation.

For one thing, though the problem of foreign nationals has been most dramatically highlighted and made an issue of in the prolonged agitation in Assam, other States and Union Territories of the region too share, in a large or smaller measure, the same genuine or false fears and anxieties as are harboured by the agitators in Assam.

Almost from the outset, tendencies which have tried to view the perceived problem in a North-Eastern dimension have been active, and one of the first organisational manifestations of such regional perspectives was the North-East Region Students Union (NERSU) which held its first general conference at the Dibrugarh University in March 1980 at a time when the agitation was in its most intense phase.

**NERSU's slogan**

The NERSU's battle cry, "long live the seven sisters' unity", despite the *subversive* connotations now being attributed to it, was foreshadowed (and has now been appreciated) by the Congress party, by no less a person than Mr. Sarat Chandra Sinha, Chief Minister of Assam, who used the expression and articulated the ideology and aspirations behind the expression in his welcome address to the Prime Minister, Mrs. Gandhi when she laid the foundation of the Kopili hydro-electric project at Garampani in the Cachar Hills district on April 25, 1976.

**Rich heritage**

"We, the people of this region, heartily welcome you to this beautiful land of seven sisters, well known for their richness of culture and heritage. Assam, the land of

blue hills and red rivers, is the land of Usha who was enamoured of Anuruddha, the prince of Dwarka. Meghalaya, abode of the clouds, was the dreamland of Pramila. Arunachal, where the sun rises above the snowcapped mountain, was the homeland of Rukmini, whose beauty enchanted Lord Krishna. Manipur, the dale of song and dances, was the land of Chitrangada and in Nagaland, the eastern sentinel of our country, Arjuna's Ulupi was born. Tripura is the land of queen Tripurasundari and the damsels of the blue mountains of Mizoram are as colourful as the river Dhaleswari herself.

Not surprisingly this desire to forge a North Eastern identity is most strongly expressed by the political formations in Assam, the mother country as it were from which progressively, NEFA which later became Arunachal Pradesh, 1950 and 1972, Nagaland 1963, Meghalaya 1972 and Mizoram 1972, were detached and constituted into separate States and Union Territories.

Though the States Reorganisation Commission had conceived the whole North-Eastern region, including Manipur and Tripura, as one State, the composite State of Assam, the reality of the conflicting ambitions of the regional elites not to speak of the genuine aspirations of the people, militated against such a composite State.

But the very forces which, from completely different perspectives, brought about the disintegration of the composite State of Assam now seem to be working towards resurrecting, if not the reality, at least the idea of a composite North-Eastern identity. Public opinion in Assam, to the extent it is still exercised over the events that led to the creation of Arunachal Pradesh, Nagaland, Meghalaya and Mizoram, holds the Union Government entirely responsible for the 'dismemberment' of Assam, though the culpability of the dominant section of the Congress Legislature Party in Assam is not entirely ruled out.

#### Weak links

Indeed, the Assam Assembly under the leadership of the late, Bimaia Prasad Chaliha, recorded its anguish and unhappiness over the separation of the Naga Hills district and the Tuensang Agency area from Assam and their constitution into the separate State of Nagaland in 1963. A decade later it was the turn of the Khasi and Jaintia Hills district and the Garo Hills district to seek separate identity as Meghalaya and of the Mizo hills district to become the Union Territory of Mizoram.

The event did not lead to any similar expression of anguish — which only underlines the historically stronger links that still abide between the Assamese and the various Naga people, in contrast to the relatively weak links that bound them to the people of the Meghalaya plateau.

From the perspective of those that got away, one of the contributing factors that forced this separation, as alleged by the leadership of these various ethnic minorities during those days of bitter wrangles in the Assam Assembly, was "Assamese chauvinism" manifest most dramatically in the late Fifties in the move to make Assamese the official language of the State, though in Assamese eyes the real villain of the piece was somebody else.

Thus it is ironic that the very forces which in one way or the other are held to have contributed to the progressive diminution and whittling down of the State of Assam are now busy, from quite entirely different perspectives, trying to resurrect the idea of a composite North-Eastern region, with some form of political coordination inevitably implied.

For the Congress, the formation of the North-Eastern Regional Coordination Committee is just one step in its continuing battle for socialism, secularism and democracy, and more specifically, in the regional context, part of

its battle against secessionist and disintegrationist forces which it feels are holding sway in Assam and in the North-East in general.

It is an altogether a different matter that the formation of the North East Regional Con-

gress (I) Coordination Committee and the holding of its first session in Dimapur in April 1981 was generally viewed, correctly as it later turned out, by the then ruling non-Congress (I) governments in the region as directed against them; for within months these were all replaced by Congress (I) or Congress (I)-led Ministries.

#### Political initiatives

Apart from these efforts at the level of the party command considerably prodding them, the Centre took certain political and administrative initiatives even as it agreed to the redrawing of the boundaries within the North-Eastern region. The North-Eastern Council, administratively and constitutionally quite distinct from the existing largely ornamental zonal councils, was formed almost simultaneously with the carving of Meghalaya and Mizoram and is invested with powers which in theory at least can usurp the authority of the participating units.

In other words, even while conceding the political demands of the constituent units of the North-Eastern region and granting them the status of a State or Union Territory — it can only be a matter of time before the present Union Territories are constituted into States and further incipient sub-regional

aspirations, say like those being put forward by the Plains Tribal Council of Assam, are sought to be fulfilled by constituting them into Union Territories — the Centre has also been creating structures which in course of time can absorb these smaller units into a larger forum, whose scope does not exclude some forms of political integration.

Strangely the PLP, a party whose historic origin can be traced to the frustrations that arose following the "dismemberment" of Assam and what its ideologues view as unjustified accusations of "Assamese chauvinism, is also working towards a similar end though from a different perspective.

The PLP took the initiative to hold an All Party Leaders' Conference at Guwahati in June 1982 (which appears to have given cause for the accusations levelled against the party by its chairman Mr. Nibran Bora after being suspended from his office on unspecified charges, that the party was hobnobbing with sections of the hill leaders in the North-East suspected to have links with the CIA). It now holds its regional political conference of opposition parties to discuss "several problems and issues common to the North-Eastern region". These specifically include the influx of foreigners into the region, Centre-State and inter-State relations in the region, consolidation of a "native political personality" and "measures for the preservation of the social, political, economic and cultural heritage of the North Eastern region".

However, the PLP, despite all the proclaimed trans-Assam perspective is hemmed in by some limitations. For one thing its rival in its own backyard, the Asom Jatiyatabadi Dal (AJD) is strictly kept out of the conference. Indeed ever since the AJD decided to strike out a national perspective for itself, and in that process admitted a former Congress (S) M.P., Mr. Dinesh Goswami into its ranks and attended the Srinagar conclave of Opposition parties, the PLP has barely concealed its unhappiness over these initiatives by a party which still proclaims in the preamble to its constitution

the exploitative role vis a vis Assam of all national political parties.

### Non-ruling regional parties

Further there are at least a score of non-ruling regional parties, big and small, genuine and bogus, in the North-East. Some of them like the Plains Tribal Council of Assam are politically important and are even represented in legislatures. But the PLP's invitation was highly selective and perhaps influenced by the discussions that the party had over the past two years with regional parties and reflected its own current assessment of "like-minded parties" in the region.

The parties which accepted the invitation to attend the Guwahati meet were the Naga National Democratic Party of Nagaland, the Manipur Peoples Party and Kangleipak National Union of Manipur, the Mizo Peace Forum of Mizoram, the Tripura Upajati Jana Samity of Tripura, the All Party Hill Leaders Conference and the Hill State Peoples Democratic Party of Meghalaya.

It is difficult to see even these parties exclusive and selective as the list is, as comprising a "hard core of opposition to the Congress (I), the APHLC is a constituent of the Congress (I)-led coalition in Meghalaya. The TUJS is in barely concealed alliance with the Congress (I) against the Left Front Government led by the CPI (M) in Tripura. And the NNDB and the APP are in opposition only because other parties simply declared themselves as units of the Congress in their respective States.

Whatever the motivation and the forces behind these urges to forge a North-Eastern identity, all these emanating from Assam, the largest and economically and politically most advanced unit in the region, reflect the growing self-confidence and political foresight of the Assamese bourgeoisie which, despite all the troubles and identity crisis it is facing, has also come into its own during the last three decades of distorted development of the region.

## DEVELOPMENTS IN SRI LANKA TAMIL ISSUE REPORTED

## Jayewardene Proposals Explained

Madras THE HINDU in English 19 Nov 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI Nov 18

The talks with the TULF leaders on the Sri Lanka President Mr J R Jayewardene's latest proposals for a settlement will be continued during the week end, since the three rounds of discussions that have already taken place with them have not yet led to the crystallisation of an agreed approach for a reasonable settlement of the ethnic problem to the satisfaction of the Tamil people in the island.

The Prime Minister's special emissary, Mr G Parthasarathy, is however striving hard to establish a mutually acceptable basis for carrying forward this dialogue to the stage of substantive discussions, before Mr Jayewardene arrives in Delhi on Monday for talks with Mrs. Indira Gandhi on this problem on the eve of the Commonwealth conference.

The TULF leaders, led by Mr M. Sivasithamparam and Mr A Amirthalingam, have been debating the pros and cons of these proposals after each round of talks with Mr Parthasarathy, in the light of the clarifications given by him. The President of the Ceylon Workers Congress, Mr S. Thondaman, who represents the so-called Indian Tamils, has been participating in the talks with Mr Parthasarathy, but not taking part in the TULF confabulations.

The Sri Lanka Government claims that the latest proposals of Mr Jayewardene are a marked improvement on the Dudley Senanayake Chelvanayakam agreement of 1965 under which the district development councils were set up to give the Tamil people some semblance of local authority in limited spheres. But the problem is that with the sharpening of ethnic tensions the deep-rooted fears of the Tamil minority, which has suffered so grievously in recurring riots, cannot be dispelled with some cosmetic changes without substantial concessions even within the framework of the present political system.

Mr Jayewardene's proposals for devolution of power, it is said, do not confer on the re-

gional councils any local autonomy more than control over primary and secondary education, agriculture, cooperatives, internal trade and such other issues. The councils will have powers to regulate resettlement in areas covered by local irrigation schemes, but the Central Government will continue to exercise overall authority for settling people of different ethnic origins on a proportionate basis with the plea that it has the responsibility to ensure an even distribution of benefits to all communities in the northern districts under the Mahaweli project and in the south by the Lunugam-Vehari project.

The police, like the Army, Navy and Air Force, will remain under central administrative control in every respect. The DIGs in different regions will, however, be instructed to maintain what is called a working collaboration with the elected executives of the regional councils in charge of the local administration. The regional councils will be permitted to raise local police forces on a voluntary basis to function like Home Guards in assisting the regular police in the maintenance of law and order in the districts.

The Jayewardene proposals also empower the regional councils to function as mini legislatures in respect of the subjects delegated to them, but the resolutions adopted by them will have to be approved by Parliament. The proposals also deal with the procedures for quicker implementation of the decisions already taken, or to be taken, about the language question giving Tamil and Sinhalese their due status as national languages, while English continues to be retained as a third language.

The Sri Lanka President's ideas on treating Trincomalee as a centrally-administered area also need to be spelt out to the satisfaction of the TULF leaders that what is being thought is only the establishment of a port authority and not a separate administrative zone. The Tamil

community which is in absolute majority in the North and in substantial numbers in the East will not agree to any wedge being driven between the two regions to deny them contiguity by bringing the area in and around Trincomalee under central rule.

All these issues need careful consideration to avoid misunderstanding later on, before even a tentative accord in principle is reached for engaging in detailed negotiations. But in making its good offices available, the Government of India is trying to narrow down the basic differences and help the two sides evolve an agreed structural concept of a broad based solution that could be given a concrete shape in due course through detailed negotiations.

## Gandhi-Jayewardene Talks

Madras THE HINDU in English 23 Nov 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI Nov 22

The Sri Lanka President Mr J. R. Jayewardene met the Prime Minister Mrs Indira Gandhi, for about 45 minutes today, the first 25 minutes without any aides, for a frank exchange of views on the Tamil problem in the context of the efforts underway to bring about a lasting political settlement.

After the two leaders had a private discussion, the Prime Minister's special emissary Mr G. Parthasarathy, was called in presumably to clarify some of the points emerging from his efforts to settle this problem, before other Indian and Sri Lankan officials including the Secretary in the External Affairs Ministry, Mr K. S. Baipai, the Sri Lanka Foreign Minister, Mr A. C. S. Hameed, and the President's brother Mr H. W. Jayewardene joined them.

### Hopeful note

A brief statement was issued later tonight striking a hopeful note and holding out the promise of further progress in these complex negotiations. The talks were described as friendly and useful by both sides.

But they took nearly three hours to come out with an agreed draft of the brief statement which emphasised that "various aspects of the problems and proposals including historical and ethnic aspects were considered" during these discussions. A reference was also made in the statement to the talks that Mr Parthasarathy has been having with the Sri Lankan Tamil leaders.

### Territorial integrity

The Sri Lanka President is reported to have taken with him a map of the island and also some papers on the demographic complexion to explain his point of view on how best the Tamil problem could be resolved with

the broad approval of the Sinhala population. The Prime Minister is understood to have assured him that India wanted Sri Lanka to preserve its territorial integrity by arriving at a fair and equitable settlement of its ethnic problem.

Mr Jayewardene was also told that India had no desire at all to interfere in Sri Lanka's internal affairs nor condone any violent acts. But at the same time it expected Sri Lanka to meet the legitimate aspirations of the Tamil minority to ensure peace and tranquillity in the island for the good of all people.

The meeting between Mrs Gandhi and Mr Jayewardene has helped to create a better atmosphere for the pursuit of Mr Parthasarathy's mission. He has had several rounds of talks with the Tamil leaders on the tentative proposals that emerged from his last visit to Colombo and these discussions would continue during the next few days to narrow down the differences.

### Essential points

There will be further opportunities for contact between Mrs Gandhi and Mr Jayewardene, both in Delhi and Goa, during the Commonwealth conference. If some substantial progress is made in bridging the gulf in the next few days over some of the essential points still standing in the way of at least an agreement in principle on the broad framework for a political settlement, Mrs Gandhi will probably take the initiative in elevating the level of the dialogue to clinch the issue before Mr Jayewardene returns home.

The Tamil United Liberation Front leaders who met Mr Parthasarathy this morning had another meeting with him this evening after the Indira-Jayewardene discussions. The two-pronged dialogue with the Sri Lanka Government and the Tamil leaders will be continued to step up the pace of India's conciliatory efforts.

Madras THE HINDU in English 24 Nov 83 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, Nov 23.

A major hurdle that still remains to be crossed before a broad-based understanding can be arrived at for resolving the Tamil problem in Sri Lanka is the insistence of leaders of the Tamil United Liberation Front on having one and not two regions where their community would be in a dominant position.

The tentative proposals emerging from the talks that the Prime Minister's special envoy, Mr G. Parthasarathy, had with the President of Sri Lanka, Mr J R Jayewardene envisaged the creation of several regional councils by giving the choice to the district development councils to merge themselves, if they so desired, into larger units to facilitate the devolution of more powers to the regions.

If this plan is implemented in its original form, the Tamil community, which is in an overwhelming majority in Jaffna and other adjoining districts, will be able to carve out a region of its own in the north. But in the eastern districts, where they are only in substantial strength following the demographic changes in the last two or three decades, the Tamils will not be in a similar commanding position.

**TULF's concern:** The TULF is anxious that the Tamils in the north and eastern parts of the island should have a homeland of their own in the shape of a single region, so that they can live with honour in conditions of safety without constant fear of intimidation. But the Sri Lanka President is not prepared to concede this demand, maintaining that it is for each district council to decide whether it wants to merge with other districts or continue as a separate unit. The Government cannot, on its own, decide to create one or more larger regions to comply with the wishes of the Tamil minority, without the approval of other communities which will be affected by the decision.

The TULF leaders want the creation of a single Tamil majority region to be part of a political settlement, instead of subjecting this to the constitutional process of a referendum which is impracticable in the present circumstances.

**Suspended animation:** Its members of Parliament, who are *ex officio* members of district councils, have forfeited their membership as a result of the recently enacted Sixth Amendment. The chairmen of the councils, in many cases, have not even taken the oath of office, with the result that they are in a state of suspended animation and cannot be activated without going through the cumbersome pro-

cess of fresh elections.

The Sri Lanka President has more or less conceded this point and is inclined to abandon the idea of a referendum in the northern and eastern regions, while the rest of the island where the district councils are in existence will go through the process if they opt to merge with larger regions. But this will have to be tied up with a more basic accord on having only one and not two different regions in the northern and eastern parts, which is still an open issue at present.

Mr. Jayewardene spoke to the press on some of these problems at the reception hosted by the Commonwealth Secretary-General today after the inaugural session. He said law and order was one of the subjects suggested for delegation to the regions, but he will have to put the whole package of proposals for a settlement of the Tamil problem before an all-party conference on his return to Colombo in the light of his talks in Delhi. He does not propose to invite the TULF leaders to participate in the initial discussion, since the conference itself will decide at what stage they should be brought into the picture.

**Unarmed policemen:** Asked whether the newly established regions would have full control over the police as in Indian States, Mr. Jayewardene said the armed police would continue to be directly under the Centre, while the new regions would be entitled to have some unarmed policemen under them to deal with petty crime and prosecutions. Any major responsibilities like dealing with violence will be handled by the armed police under Central direction.

He declined to spell out the exact nature of the powers to be transferred to the regions, since these were still subject to finalisation. Mr. Jayewardene had no plans to meet TULF leaders during his stay in Delhi, but he will continue to keep in touch with Mr. Parthasarathy and, if necessary, meet Mrs. Gandhi again.

The president of the Ceylon Workers Congress, Mr S. Thondaman, who is Minister for Rural Development in the Jayewardene cabinet, has been in Delhi for the last one week along with the TULF leaders, discussing the latest proposals with Mr. Parthasarathy. He has met Mr. Jayewardene to see what can be done to narrow down the remaining differences.

Mr. Jayewardene is extending his stay in the capital by two days after the CHOGM meeting ends to have more detailed discussions for a "negotiated settlement" of the ethnic problem in his country, reports UNI.

CSO: 4600/1297

## NAGA REBELS BID TO TRAIN OTHER EXTREMISTS

Calcutta THE STATESMAN in English 19 Nov 83 p 7

[Text] GAUHATI, Nov. 18--The National Socialist Council of Nagaland, the Maoist-underground organization led by Mr Muivah and Mr Isak Swu, has made it clear to extremist organizations in the Brahmaputra Valley that it would prefer to train such extremists in compact groups in their sanctuaries across the Manipur border rather than supply sophisticated weapons through "reliable channels at contact points"

The recruit will return with the weapon with which he had been trained. The emphasis on training is not only to ensure expert handling of the weapon but also to condition the recruit mentally and ideologically. Hence the NSC's stress on dealing with an organization and not an individual. The creation of ULFA (United Liberation Front of Assam) which was once active in the districts of Sibsagar and Dibrugarh was in that context. The choice of Dimapur as the contact area was ideal since the railhead has a reputation of being a haven for criminals.

The Meitei extremist who was arrested just outside New Delhi's Jawaharlal Nehru University campus two years ago had shot a man at Dimapur when he suspected him to be a decoy. Muivah's liaison man, Angelus, is known to have visited Dimapur in recent months. On one occasion he made contact either with Rightist militants from Assam or ULFA representatives through a bank employee who has been since arrested.

These were apparently low-level missions and police know of at least two cases in which buyers were cheated by touts including the one in which a revolver was sold and immediately taken back on the plea that the police were on the trail. The seller disappeared with the money

Recent interrogations have confirmed that six or more Assamese young men had gone to Muivah's hide-outs for training and some may have returned. The route is either through the "Tirap corridor" or Manipur. Available evidence suggests that the prices quoted for the weapons are very high which accounts for the attempt by Assamese Rightist militants to loot a bank at Baghera in Kamrup district a few months ago. It was bungled and among those arrested was a former BSF employee who had apparently done a commando course.



Evidence also suggests that smuggling of weapons for Bangladesh into the riverine areas of Goalpara are meant solely for a fanatical core among the immigrants with memories of what happened in the new year. Reports of small groups undergoing training secretly in Nowgong district are credible.

Coming back to the NSCN, clinching evidence of its links with Assamese extremists followed the interrogation of a NSCN "captain" who was captured recently. Some of his disclosures are considered more sensational than the "Mapao file" but Dispur is worried about the premature leaks to reporters by the spokesman for the security forces at Imphal. One such leak it is alleged, blew the cover of a top informer or "canary" who had to be arrested to save him from savage reprisals.

According to observers the NSCN's reluctance to supply weapons on demand coupled with very high prices have forced indigenous extremists to depend more on country-made weapons from Meghalaya. An alert police set-up at Shillong unearthed one such factory in the rural belt and was instrumental in exposing a criminal attempt to flood the interior areas of Mizoram, Manipur and Meghalaya with counterfeit hundred-rupee currency notes. More than ten thousand rupees worth of such notes were seized in Shillong and Aizawl was alerted since the notes seemed to emanate from the Union Territory.

Unfortunately, Aizawl was not as exercised as it should have been was it merely a conspiracy to get rich quick and 'launder' such notes at a discount or was it more sinister in intent and scope?

CSO: 4600/1301

## GANDHI ADDRESSES NONALIGNED MEETING ON PALESTINE

New Delhi PATRIOT in English 19 Nov 83 pp 1, 7

[Text] Mrs Indira Gandhi has warned that the alarming crisis in the Palestine Liberation Organisation has dangerous portents for the future of the Non-aligned Movement and others.

Addressing the ministerial meeting of the eight-member NAM contact group on Palestine, Mrs Gandhi said the movement stood solidly behind the PLO, as any weakening of the struggle for Palestinian rights would strengthen their enemies and weaken the friends. The committee, she said, was to consider the immediate task of negotiating a ceasefire and starting a process of reconciliation.

Mrs Gandhi has summoned the ministerial meeting of the NAM group to discuss how the movement can help in the current crisis which concerns both the bloody break in the PLO and the aggravation of the situation in Lebanon. Officials of the eight countries--India, Cuba, Bangladesh, Algeria, Yugoslavia, Zambia, Senegal and the PLO--had met last month for preparatory work.

After Mrs Gandhi's address, the meeting got down to the serious business of analysing the current situation and exploring the ways in which the movement could help. Under the mandate given to it at the NAM summit, the committee on Palestine is, at a heads of government level, supposed to cooperate with the Arab group led by Morocco to work for a just and permanent solution to the crisis in West Asia, and to help the Palestinian people achieve their right to a homeland.

External Affairs Minister P V Narasimha Rao chairs the two-day session attended by head of the political department of the PLO Faroukh Khaddoumi, Cuban Foreign Minister Isadora Malmierca--who later met Mrs Gandhi separately --Algerian Commerce Minister Abdel Aziz Khalles, Bangladesh Education Minister Majid Khan, Yugoslav Foreign Minister Lazar Mojsov, Senegals' permanent representative to the UN Mr Sarre and Zambian special envoy, Mr Kangwa.

Mrs Gandhi spoke extempore, and with deep anguish, on the infighting in the Palestinian movement. It was not easy, she said, to bring about reconciliation and negotiate an immediate ceasefire, but the non-aligned movement stood solidly behind the PLO.

The NAM committee's immediate task would be to give deeper thought to devising steps that could stave off the explosion that was threatened.

Surveying the developments that had taken place in Lebanon in particular and West Asia in general since the non-aligned summit was held in New Delhi last March, Mrs Gandhi said these had been unfortunate developments that had effected peace not only there but elsewhere also.

The crisis in the PLO was a matter of anguish to all. The PLO had been recognised at the Algiers summit of the non-aligned movement and since then it had received greater international recognition. The PLO had emerged stronger after the Israeli aggression.

Mrs Gandhi said she had been in touch with Arab leaders.

Chairman Yasser Arafat had some days ago written to her appealing that she take initiative in bringing about peace. She had responded with an appeal to the PLO to preserve their unity lest Israel take advantage of it. Subsequently, she also wrote to Syrian President Hafez Assad calling on him to use his influence in the PLO and the Arab world to weld the breach in the PLO. The Arab leaders, Mrs Gandhi said, had expressed their deep concern at the deteriorating situation.

Various countries had also made efforts to bring about a ceasefire, but it was a very complex situation and it was very difficult to find a solution. "However, we have not easily given up the struggle in the past", she said, hoping it would be possible to take 'some steps forward'.

Thanking Mrs Gandhi, PLO representative Faroukh Khaddoumi hoped the meeting would help enable the people of Palestine to achieve their objective of self-determination and a home land without outside interference.

Mr Khaddoumi emphasised the PLO's resolve to cooperate as equals with all who had goodwill towards it in the search for peace.

CSO: 4600/1302

## RAJIV WARNS AGAINST EXPLOITATION OF MINORITIES

New Delhi PATRIOT in English 20 Nov 83 p 12

[Text] All-India Congress Committee-I general secretary Rajiv Gandhi on Saturday called upon partymen to not exploit the problems of Adivasis and Harijans for political gain.

Addressing leaders of the weaker sections of the society, including MPs, at a function to celebrate the 66th birthday of Prime Minister Indira Gandhi, he told them that the real task was to bring about a social and economic uplift of these people so that they could easily integrate with the rest of the society.

Warning the partymen not to portray themselves as the sole representatives of the weaker sections, he said that any such move would only succeed in creating barriers between them and the rest of the society and to that extent make the task more difficult.

Mr Gandhi said that a difficulty in the path of ameliorating the plight of these hapless victims of society was that some leaders tried to gain political vantage from their grievances and added that during the Janata regime, the plight of these people had become worse.

While charging that opposition parties had showed no real interest in their problems but were only blowing up their plight to get votes, Mr Gandhi maintained that no party had done more for the Harijans and Adivasis than the Congress and it was only the sustained interest of the party which had allowed these weaker sections to stand up against the atrocities of the upper castes.

Various speakers at the meeting, including Mr Buta Singh and Mr Yogendra Makwana, said that the bulk of the people below the poverty line were Harijans and tribals and the weaker sections pinned their hopes on the Prime Minister fulfilling the incomplete task of their welfare.

The meeting, organised by the AICC-I Schedule Castes and Scheduled Tribes cell, also adopted a number of resolutions which among other things sought the acquisition of land from landlords and its distribution to Harijans and others.

CSO: 4600/1304

## ANALYST DEPLORES INADEQUACIES OF INDIAN POLITICIANS

Madras THE HINDU in English 20 Nov 83 p 2

[Article by G. K. Reddy]

[Text] ONCE again India is going through an unhappy phase of cross-purpose and confused thinking that is deepening the dissonance and dampening the national spirit. The consequent erosion of faith is leading in turn to a loss of direction in the conduct of the country's affairs, with the result that there is little scope for the assertion of the superiority of informed opinion. Those in power continue to revel in their ignorance mistaking posturing for policy and promises for fulfilment.

The country is living today in an uneasy atmosphere of contrived crisis oscillating between high euphoria and abrupt anti-climax in quick succession, as though something very vital is missing poignantly in its national life, or that something is going wrong all the time. The medley of superficial activity is misconstrued often as a refreshing display of renewed dynamism, while in reality the weary leadership has been running out of steam and growing more and more worn out with the passage of time. The old spark is missing even in Mrs. Indira Gandhi, who has mellowed with years but is unable to rise above the rut of party politics and power pursuits to inspire greater confidence.

#### Groping in the Dark

The fragmented opposition continues to revel in its squabbles, groping in the dark helplessly and looking around desperately for a less painful way out of the cruel dilemmas of its own creation. The crusty old men at the helm of these parties and factions, or even the smart young alics in their camps, have learnt nothing from the agonising Janata experiment and are still at odds with one another as they chase the mirage together, hoping to get back to power some day through another miraculous combination of circumstances.

The big hiatus between their floor politics in Parliament and street politics in the country has further undermined their credibility, making them look like pitiable personalities condemned to plough their own lonely furrows, unmindful of their own priorities and purposes. These leaders, cast in their tragicomic roles as extinct volcanoes, do not know what else they can do until the Gods start taking pity on them again.

The lingering animosities of the past continue to cramp their styles and distort their attitudes, depriving them in the process of even the aura of elder statesmen who in their old age are prepared to submit themselves to the verdict of history without bothering to re-enter active politics or craving for power again.

#### Profitable Pastures

A new phenomenon in Indian politics is the emergence of the whizz kids whose ascendancy is not confined to the ruling party, since they have managed to make inroads even into the Opposition. But they are much more visible in the corridors of power rubbing shoulders with Ministers and other men and women of influence, not so much in the inner recesses of the Opposition that can offer no comparable attraction for them.

It is only those that cannot manage to worm their way into Mrs. Gandhi's entourage, or get absorbed in the charmed circle of her son, who tend to hobnob with the Opposition leaders as a temporary diversion, until they get an opportunity to enter more profitable pastures. The interregnum is utilised to provide liaison with disgruntled businessmen and others who are either ignored or victimised by those in power for whatever reason.

As go-getters and trend-setters indulging in ostentation and used to permissive ways of life, these whizz kids manage to rub shoulders with prominent film stars, rich business tycoons and influential men of the underworld who are patrons of the new five-star culture to demonstrate their own importance. The more successful ones among them operating within the ruling party have managed to create a sort of court atmosphere around the power centre in Delhi, which does not blend well with the swadeshi environment of the old-fashioned Congressmen with relatively limited political horizons and personal ambitions.

The traditional Indian politician, who is considerably less enterprising and generally content with the modest opportunities open to him, is no match for this genre of flashy young men talking the language of modern management techniques for fund collections and poll manipulation.

#### Dabbling in Foreign Affairs

The main preoccupation of these flashy young politicians is not public service, but utilisation of the power of their political bosses for fund-raising and dispensation of patronage. They have no great interest in the party's ideology or policy on a particular issue, but dabble in foreign affairs at times to establish contact with foreign diplomats posing as experts on non-alignment and get on to official delegations which enable them to cultivate Indian businessmen abroad.

The Prime Minister does not know about the full extent of their activities, but whenever they exceed the limits of discretion and get into trouble, she does give them a tongue-lashing and keep them at a distance to prevent any further damage being done. She, however, tends to defend them when they get involved in a corruption case and become central figures in a public controversy until her tolerance of their infractions begins to impinge on her own reputation for rectitude.

The Indian people as a rule are apathetic and tend to take a fatalistic view of life, not bothering to stick their necks out to protest and campaign against any misuse of power and acts of corruption. The electorate is not bothered about the inadequacies of leadership so long as those in positions of authority are able to practise the art of humility even as a gimmick to cover up their infractions.

The people get infuriated over the brazen way the safari-suited men go about throwing their weight around and indulging in blatant malpractices, either on behalf or in the name of their party bosses, to bully the big business and extract donations by dispensing favours or threatening them with dire consequences.

#### Fallen Favourites

The public attitude in India to the uses and misuses of power varies from disappointment, disenchantment, apathy and indifference to anger, indignation, revulsion and outrage, depending on circumstances. A politician gets into trouble only when he crosses the grey zone and starts infuriating the people with one's misconduct. It is only at that stage that the proverbial worm begins to turn and the leader who has crossed the bounds of discretion gets into serious trouble.

The fallen favourites of yesterday who had to be dropped unceremoniously or got thrown out ignominiously during the elections are eloquent examples of how a political party whose moral fibre is weakened by prolonged exposure to temptation not only loses its ethos but also forfeits public confidence.

The new whizz kid phenomenon in Indian politics should, therefore, serve as a timely warning much more to the ruling party than the Opposition before the country goes to the polls again. The illusions of grandeur in which the Government continues to revel through its forays into foreign affairs, as an escape from the harsh realities and remorseless pressures of domestic politics, cannot make the people forget for long the uglier side of the country's public life.

In the final analysis the old fashioned Gandhian with all his hypocrisies carries greater credibility with the common people than the flashy young men to whom a Gandhi cap is as alien as a bowler hat. It is not possible to run a country of this size and diversity with a few computers and programming experts to foster a new breed of loyal and unquestioning Congressmen.

As the party that has had the longest spell of power both at the Centre and in the States, the Congress must bear the cross for the many evils in political life. The Congress (I), as the current legatee of the mantle, has to render itself accountable solely for the more recent woes that have crept into the system. But the Opposition parties cannot escape their share of blame because they were equally guilty of such malpractices during their brief spells of office. The Janata Government at the Centre was not free from this whizz kid phenomenon in its cruder manifestation, before it got perfected into a fine art after the return of the Congress (I) to power.

The excessive preoccupation of the Government with transforming Delhi into a major international capital has thrown the floodgates open to extravagance for getting things done in time irrespective of the expense involved in playing host to major events. The Asiad was a sporting spectacle on which so much money was spent, the NAM summit was a relatively smaller affair but politically a more extravagant event. CHOGM is only a conference of Commonwealth heads of Government. The Government in its zeal to organise this also on a grand scale has printed a calendar, like the one Mountbatten laid on at the time of partition, giving a countdown of the days left for the start of the conference. It is a striking example of lack of a proper sense of proportion at various levels of the Government.

#### Lack of Perspective

The visiting dignitaries will not be impressed by the lavishness of the arrangements or borrowed tastes for entertaining them. The great majority of them will be impressed by the Indianness of the Indian setting and the inherited traditions and life styles of its people, not by the magnificence of its five-star hotels and elegances of its entertainment. One cannot conceal the reality of India's poverty and privation with a coat of fresh paint to hide the hedions sights and the squalor of the slums from the view of the Queen and the visiting Commonwealth statesmen.

One of the glaring inadequacies of the Indian system is the absence of a proper perspective and sense of proportion. One cannot afford to overplay the foreign policy angle, taking the NAM role too seriously or casting oneself in the role of a crusader against lost causes to the detriment of more important problems at home.

The excessive preoccupation with the superficial aspects of foreign policy is leading to a serious negligence of the heavy backlog of problems on the home front. And it is necessary to draw the lessons and take corrective steps in good time, before the harassed people repeat what they did in 1977 and 1980 to teach both the Congress and the Opposition a sobering lesson.

CSO: 4600/1303



## SUCCESS OF KARL MARX CENTENARY CELEBRATION NOTED

Madras THE HINDU in English 20 Nov 83 p 4

[Text] THE 11-day long Karl Marx death centenary organised by the CPI (M) was significant in many ways. It was the first time such a programme, with its appeal necessarily limited to a particular line of political thinking, was organised anywhere in India on such a scale. The aim was to popularise Marx's work and the basic tenets of his thought among the common people.

Naturally, to appeal to the uncommitted, there were plays, film shows, rare documentaries, seminars, and other cultural programmes with a left appeal.

While it will take some time yet to assess their total political impact, Mr. Buddhadeva Bhattacharya, secretary of the centenary committee, can take pride in that a large number of people attended most of the programmes. "In fact the attendance, and even participation, of people in our political seminars surprised all of us," he said. "Mostly, even the politically conscious among our supporters and members usually attend cultural functions in greater numbers, for obvious reasons. This was indeed a revelation to us, and we could not provide sitting space".

Yet in hindsight it is perhaps not difficult to understand why, with star speakers like Mr. E. M. S Namboodiripad, Mr. B. T. Ranadive, Mr. Jyoti Basu, Mr. Basavapunniah and a host of others addressing the gathering. For the seminar the invitees included Mrs. Purabi Mukherjee of the Congress, Dr. Buddhadeva Bhattacharya of the RSP and Mr. Narahari Kaviraj of the CPI.

#### Separate Programmes

An indication of the popularity of the programmes was the fact that 60,000 membership cards were sold during the programmes. Altogether 2,000 whole-time volunteers were on duty round the clock. While the crowd was more than satisfactory on most days, Mr. Bhattacharya noted that most of the visitors were from Greater Calcutta and the suburbs. Except for two or three days, people from the villages were not much in evidence. However, separate programmes were being held in the districts as well, he added.

"Messages, letters and material for exhibition were received from 24 communist and socialist parties all over the world. On the organisational side, in addition to party mouthpieces, bulletins of the mass organisations also carried special articles and notes on Marx and his philosophy.

Such a programme had been planned in 1982, but due to the pressure of circumstances and other reasons, it could not be organised.

An interesting feature of the seminar was the self-critical note sounded about the limitations of the communist movement in this country by Mr. Basavapunniah, who made it clear that scientific application of marxism to concrete objective conditions had started rather late here. What was needed was not an endless study of marxism, but its constant practice.

It was arguable whether, as the largest communist party in India, the CPI (M) could not have made the occasion a little more broad-based by inviting marxists of all shades and opinions to attend.

One also felt that the party leadership could have addressed itself to larger questions on this occasion, which will not be repeated very soon. It might have been worthwhile to create some permanent institutions or assets to promote marxist culture or style of thinking. This could have been done by building up a special research section, or a reference library, complete with texts from as many nations as possible. Branches of such libraries could be created in districts as well.

CSO: 4600/1303

## CPI LEADER READY TO HELP GANDHI FIGHT IMPERIALISM

Calcutta THE STATESMAN in English 21 Nov 83 p 1

[Text] Mr C. Rajeswara Rao, general secretary of the Communist Party of India, told a public meeting in Calcutta on Sunday that the party, along with other Leftist forces, was ready to fight unitedly with Mrs Gandhi the imperialist, divisive forces active within the country. "We are willing to do so to ensure the security and unity of the country, which are threatened by these forces", he added.

A similar appeal was later made by Mr. Indrajit Gupta, MP. "We will help Mrs Gandhi in this respect because we care for the country, which belong to all of us, not to Mrs Gandhi and her family alone". He said that the spectre of war was looming large over the country and by warning so, Mrs Gandhi was not resorting to any political gimmicks. "She may reap political advantages but we don't think that her statements about the impending war were mere concoctions, he added.

Both Mr Rao and Mr Gupta accused Mrs Gandhi of making no real efforts to tackle these forces. She was also held responsible for allowing things to drift in Punjab, Assam and Jammu and Kashmir where the problems were allowed to be complicated. They advised the Prime Minister not to solve the problems in these States by force but through discussions. Mr Rao alleged that Mrs Gandhi was more intent on toppling non-Congress (I) State Governments than on solving these problems as political and not simply as questions involving law and order.

According to Mr Rao, the "war-mongering American imperialism is threatening the world, despite sincere efforts on the part of the Soviet Union to maintain global peace. He reminded the audience of President Andropov's statement that one who could destroy the Soviet Union was yet to be born. Mr Gupta warned that Pakistani and imperialist spies had infiltrated the country.

Mrs Gita Mukherjee, MP, expressed concern over the spiralling rise in the price of essential commodities and asked the Centre and the State Governments to make efforts to check the prices. She advised the Left Front Government in West Bengal to ensure that the meagre resources it has be utilized properly. The Government should keep a sharp watch on the administration for this purpose, she said.

CSO: 4600/1305

## PAPERS REPORT UNITED FRONT BANGALORE MEETING

## Congress-I Methods Discussed

Bombay THE TIMES OF INDIA in English 23 Nov 83 pp 1, 9

[Text] BANGALORE, November 22--A NATIONWIDE movement to compel the Congress (I) to give up its "dangerous course" to topple democracy--particularly its bid to oust the Hegde ministry in Karnataka and Abdullah ministry in Kashmir--is "inevitable", according to the co-ordination committee of the Janata-led United Front which began its two-day meeting here today.

Mr. Chandra Shekhar, Janata president, was asked to fix a date very soon for consultation with all opposition parties for evolving a joint time of action.

A resolution passed by the co-ordination committee, which devoted its entire session today to the Congress (I)'s bid to topple the Hegde ministry, said it was confident that the people, who by their struggle and sacrifice overthrew the "authoritarian regime of 1977," would rise to the occasion and defeat all attempts to subvert democracy.

Mr. I. K. Gujral and Mr. Chandrajit Yadav, spokesman for the committee, explained that the proposed movement would be unlike the JP movement which was directed against Mrs. Gandhi's government six years ago. It would be to educate the people on election reforms and anti-defection measures, the absence of which had led to "appalling methods" adopted by the Congress (I) to topple the democratically elected governments in Karnataka and Kashmir.

The United Front noted that Mr. C. M. Stephen, Mrs. Gandhi's spokesman, had gone on record that it was the prerogative of the Congress (I) to throw out by any and all means the Janata government in Karnataka. What these means were had been made obvious by the "Moily tapes." It was common knowledge that over Rs. 3 crores of "illgotten" money had been brought into Karnataka to "purchase legislators" and create conditions to dislodge the government.

With reference to the theory advanced by Mr. Stephen that the Hegde government was a minority government, the United Front said that the government had demonstrated its majority in the assembly on several occasions in the past eleven months, besides winning "universal plaudit" for its performance.

The "double standards and hypocrisy" of the Congress (I) were obvious to the United Front when it was noted that in Kerala, the Congress (I) headed a government with only 35 members (including 15 from the Anthony Congress who had recently floor-crossed) in the assembly of 140 members. In Karnataka, the Congress (I) challenged the Janata Party's right to form a government with 98 members and legislative support of over 130 members in the 224-member assembly.

The United Front accused the Congress (I) of taking recourse to equally "diabolical methods" in a desperate bid to overthrow Dr. Farooq Abdullah's government in Kashmir. The communal stick was wielded with the same cynicism as the "foreign hand" bogey, perhaps in the misplaced hopes that this would provide some positive political fall-out for Mrs. Gandhi in the rest of the country.

The United Front said that other non-Congress (I)-ruled state governments in Andhra Pradesh, West Bengal, Tripura and north-eastern hill states were also subjected to pressures to create conditions to bend them to do Mrs. Gandhi's bidding or break them. Withholding foodgrain allocation, non-clearance of developmental projects and "campaigns of lies and slander" were some of the methods pursued in this effort.

The front believed that it was the duty of the opposition to agitate on people's problems and compel governments to fulfil their promises and expose their acts of corruption and incompetence.

#### Misuse of Power

What one was witnessing in Karnataka and Kashmir was the spectacle of the ruling party at the Centre using the enormous political power at its disposal and money as well as muscle to undue the verdict of the people which had rejected the Congress (I) in both the states.

This, of course, was in keeping with Mrs. Gandhi's "style of politics," who first tried successfully in overthrowing the elected government in Kerala in 1958, later in several northern states between 1967 and 1971, subsequently in dealing with the DMK government in Tamil Nadu in 1976 and recently again in Kerala and Pondicherry.

The front called upon the people of Karnataka and Kashmir to close their ranks behind their democratically elected governments and meet the Congress (I) challenge with all the strength at their command. When the verdict of the people given democratically was sought to be set aside through undemocratic means, it was the duty of the people to defend democratic rights and institutions with all their might.

It appeared that the United Front was unable to outline the proposed "save democracy" movement in precise terms because of wide-ranging suggestions that came up during discussions. Mr. George Fernandes, one of the participants, has gone on record that a "kind of civil war situation"--like the one that prevailed in the pre-emergency period--has been created and it has to be met with a vigorous agitation.

There was also a suggestion that the United Front, in co-operation with other opposition parties, should jointly submit a memorandum to the President.

With the admission of the Peasants and Workers Party of Maharashtra today, the United Front now consists of nine parties, the others being the Janata, Congress (S), DSP, Jan Vadi, Rasthriya Congress of Gujarat and three Republican groups (Khobargade, Gavai and Kamble).

Apart from Mr. Chandra Shekhar, who presided, other participants in the meeting included Mr. Chandrajit Yadav, Mr. Sharad Pawar, Mr. Madhu Dandavate, Maulana S. P. Hashmi, Mr. Biju Patnaik, Mrs. Tarakeshwari Sinha, Mr. I. K. Gujral, Mr. Ramakrishna Hegde, Dr. Bapu Kalbate and Mr. D. B. Desai.

At its concluding meeting tomorrow, the United Front will discuss Punjab, communal situation and price rise.

#### News Briefing on Meeting

Madras THE HINDU in English 24 Nov 83 p 9

[next]

BANGALORE, Nov 23.

The coordinating committee of the nine party United Front Opposition has charged "influential sections" of the Congress (I) leadership with "encouraging communal divisiveness and eroding the concept of national unity".

The Front, at the end of its two day meeting here today, also came out against the Ekamata Yatra organised by the Viswa Hindu Parishad. Such outward manifestations roused emotions which scared the minorities and did not help strengthen the national unity, it said.

Briefing newsmen on the resolutions adopted at the meeting, Mr. I. K. Gujral and Mr. Chandrajit Yadav, MP and president of the Janavadi Party, criticised the Prime Minister, Mrs. Indira Gandhi, for what they called the way she was identifying herself with those organising the yatra. Mr. Yadav said the day before the Yatra started from Hardwar, Mrs. Gandhi visited the Bharat Mata Mandir there. Though secularism did not preclude the practise of one's religion, Mrs. Gandhi was mixing public engagements with visits to places of worship, they alleged.

**Dubious role of Cong. (I):** A resolution on "communalism", said the curse of communal divisiveness, so far getting overt and covert support from identifiable communal parties and forces, "is now being strengthened by the dubious role played by some influential sections of the Congress (I) leadership".

The ruling party had abandoned the prere-

quisites of secularism such as united national progress towards socio economic justice and a scientific temper it said and cautioned the people against "sinister efforts" to rouse emotions against one community or the other.

The Front alleged that the ruling party was using its monopolistic control over the radio and TV to project persons and attitudes which struck at the root of secular polity. It urged the Centre to reconstitute the National Integration Council immediately with representatives of all political parties and eminent secular minded personalities. The Council should be enabled to take stock of the situation in which minorities, Scheduled Caste and Scheduled Tribes were being harassed by vested interests and local authorities using strong arm methods.

**Plea to Akali Dal:** The Akali Dal was urged to take "credible and more effective steps" to restore amity in Punjab. The continued violence against individuals and the recent murder of four members of a community there deserved the severest condemnation of all.

**Indifference:** Another resolution on rising prices said the Centre was "indifferent" to the sufferings of the poor and the middle classes. It was offering "incredible statistics and cooked-up figures". Farmers were under unbearable strain because of the high input cost. The Plan and its priorities were being modified at the "nod of a few in authority" to reallocate valuable resources for grandiose glamorous schemes.

## Resolutions Reported

Calcutta THE STATESMAN in English 25 Nov 83 p 9

[Text]

**BANGALORE, Nov. 24**—The Central Coordination Committee of the nine-party United Front yesterday called upon the Government to reconstitute immediately the National Integration Council with representatives of all political parties and eminent secular-minded personalities, so that it could assess the situation wherein minorities, Scheduled Castes and Tribes were being harassed through "strong-arm methods of vested interests and local authorities".

In a resolution adopted at the end of its two-day meeting here yesterday, the committee said there was urgent need to establish tribunals to deal speedily with elements which disturbed communal peace. It suggested that, in order to infuse a feeling of security among the minorities, Scheduled Castes and Tribes, there should be adequate representation for these classes in the police and in the administration, particularly those with executive authority.

Stating that rivalism and fundamentalism were acting determinedly under various garbs and slogans to undermine secular values, the committee cautioned the people against the sinister efforts presently going on to rouse emotions against one community or the other which resulted in frequent riots and mutual estrangement.

Without naming any one, the resolution accused some influential sections of the Congress (I) leadership for their "dubious role" in strengthening communal parties and forces. Though secularism did not preclude the practice of one's religion, it was against the Ekamata Yagna Yatra which appeared to rouse emotions which tended to scare the minorities.

In its resolution on rising prices, the committee accused the Government of being indifferent to the plight of the people and indulging in allocating valuable resources to "grandiose schemes of glamour and glory". It said the Plan and its priorities had been changed for this purpose.

The committee wanted the various forums to "force the Government to change its priorities and policies". It said that checkmating the prices and reducing unemployment must be given the highest priority.

The central coordination committee had, on Tuesday, decided that Mr Chandra Shekhar, president of the Front, should convene a meeting of all Opposition parties, including the B'P and the Lok Dal, in Delhi soon to assess the situation arising from Congress

(I) efforts to topple the democratically elected Governments in Karnataka and Jammu and Kashmir and evolve a joint line of action.

Some suggestions had been made that they should jointly present a memorandum to the President on the toppling game, launch a national movement to educate public opinion, bring into focus the urgent need for electoral reforms and an anti-defection Bill and hold a joint meeting in Karnataka, in order to tell the people how their verdict was sought to be annulled.

Decisions will be taken on these suggestions at the meeting of all Opposition parties to be held in Delhi.

The committee, according to Mr I. K. Gujral, who briefed reporters, had taken note of the Union Law Minister, Mr Jagannath Kaushal's rejection of a Central inquiry into the alleged bribing of an associate member of the Janata Legislature Party to secure his defection to the Congress (I) and opined that the way the Centre and Congress (I) were trying to defeat the people's verdict, added further to their distress.

(PTI adds: Mr Byre Gowda, the Janata M.L.A. who was allegedly offered Rs 2 lakhs to defect to the Congress (I), said he was prepared to face any type of inquiry. He was prepared even for capital punishment if it was proved that the "Moily tape" was concocted, he said.)

Later, on Tuesday evening, there was an unusual meeting organized by the Bangalore unit of the Janata Party. The purpose was to provide a platform for leaders of the United Front, who are here since Tuesday for the meeting of the central coordination committee.

With the toppling game very much in the news, the Janata Party president, Mr Chandra Shekhar, the Congress (S) president, Mr Sharad Pawar, the Janavadi Party president, Mr Chandrajit Yadav and the Democratic Socialist Party leader Mr Tarakeswar Singh, hit out at the Congress (I) for trying to bring down the Hende Government and Mr Farooq Abdul

lah's Government.

The recent statement by the Congress (I) general secretary, Mr C. M. Stephen, that his party had the "right to topple the Hegde Government" came in for a lot of criticism.

In a forthright reply to Mr Stephen's statement, Mr Chandra Shekhar warned that the United Front would not allow Mrs Gandhi to rule at the Centre if her party toppled the Janata Government in Karnataka.

Mr Sharad Pawar recalled Mr Stephen's attacks on Mrs Gandhi when he was in the Congress led by Devraj Urs and said: "We have the tapes of Stephen's utterances against Mrs Gandhi when he was with us". The highlight of the evening was, however, five Janata MLAs telling the large gathering how the Congress (I) was allegedly using the temptations of office and money power to induce them to defect.

The star performer was Mr Byre Gowda, associate member of the Janata Legislature Party.

Mr A. Muniyappa, another associate Janata MLA, said that even as the results of the Assembly elections in January had started to come in, the Congress (I) had started wooing the MLAs. He alleged that two days after the results had been declared, he was offered Rs 10 lakhs by two Congress (I) M.P.s and a Central Minister.

The offer, he claimed, had recently been renewed. This time the amount had been increased to Rs 15 lakhs. Mr Va Srinivasa, a Janata Party MLA, alleged that he had been offered Rs 25 lakhs and the chairmanship of the Leather Industry Development Corporation. Two Janata Party MLAs, belonging to the Scheduled Castes, narrated how the Congress (I) had tried for their defection. While Mr Muniyappa alleged that he had been offered Rs 25 lakhs if he crossed over, Mr P. D. Govin-

darsi, claimed he had been offered both money and Ministership. The Janata Party president termed the five MLAs as "heroes of a new India rising to oppose corruption".



## COMMONWEALTH PRESS UNION MEETS IN NEW DELHI

Bombay THE TIMES OF INDIA in English 23 Nov 83 p 9

[Text] NEW DELHI, November 22--THE rapidly advancing information revolution, high fiscal levies and fluctuations in the supply of newsprint are among the challenges threatening newspapers, according to participants in the India conference of the Commonwealth Press Union, which concluded its two-day session here this evening.

The Indian delegates to the conference averred that pressures on journalists in this country, if any, were only "self-inflicted". But there were other pressures, existing and potential, to starve the press or raw material and to curb its revenues.

The conference urged governments to make substantial reductions in corporate taxes levied on newspapers and periodicals with a view to enabling them to expand their services to the community. It held that import tariff on newsprint in some countries was exorbitant.

It further wanted the government of India to immediately remove the indirect taxes on advertising which would seriously cut into the revenues of newspapers.

CPU membership is composed of publishers of newspapers and periodicals of all countries of the Commonwealth.

The problem of high prices particularly for indigenous newsprint, production of which was a government monopoly, and of customs levies was particularly emphasised by the Indian participants, Mr. N. Murali and Mr. C. R. Irani.

Mr. Murali drew pointed attention to the imperatives of modernisation and claimed that induction of new technology would not result in any retrenchment.

Mr. Irani presented a critical appraisal of the second press commission's findings, saying that the light it shed on the state of the press was in inverse proportion to the bulkiness of its report.

Delegates from African countries pointed to the special problems arising from their national priorities. One of them, Mr. William Saidi (Zimbabwe) remarked that the ethics and ethos of Fleet Street could not be transplanted into

African conditions. He pointed out that the press could be independent only in a free society and tauntingly recalled a finding by the International Press Institute sometime ago that the "Press in South Africa was free."

The piece de resistance in the closing day's fare was an exposition by Mr. John Fairfax on the challenges from the information revolution.

The Australian publisher thought that newspapers must adapt to market needs "which may involve colour, whether it be run of press, preprint or inserts. It may also be that newspapers need to consider regionalisation with various edition."

PTI adds: Mr. C. R. Irani, managing director of the "Statesman", said that there was an imminent threat to the press, "though indirect and not direct this time."

Mr. Irani said freedom of the press in India had been endangered earlier, during the emergency between 1975 and 1977. "This could happen again in much worse form", he said, adding that this time the government might not impose direct censorship.

He said the freedom of the press available under constitutional guarantees would be "diluted and watered down" if the recommendations of the second press commission were accepted.

CSO: 4600/1298

## BRIEFS

RAJIV ELECTORAL DISTRICT--SULTANPUR, Nov. 25--Mr Rajiv Gandhi, M.P. and Congress (I) General Secretary, has told several public meetings, in his constituency that he would contest the next parliamentary election from Amethi, reports PTI. [Text] [Calcutta THE STATESMAN in English 26 Nov 83 p 1]

SOVIET PLANNING TEAM--NEW DELHI, November 25 (PTI)--A visiting Soviet expert group, led by the deputy chief of the USSR state committee of planning, Mr. Akatnov, has sought participation of Indian private sector for further intensifying economic co-operation between the two countries. The delegation, which met the FICCI president, Mr. Ashok Jain, here this morning, evinced keen interest in collaboration with the private sector, particularly in metallurgical mining, machine tools, chemical and petroleum sectors. According to a FICCI release, Mr. Jain informed the Soviet delegation about the task force set up by FICCI, which spelt out areas in which the private sector could collaborate with the Soviet Union. He identified machinery and equipment relating to industries like paper and pulp, machine building and metal work, electrical and electronic instrument engineering, food, construction projects and marine products for possible import from the USSR. [Text] [Bombay THE TIMES OF INDIA in English 26 Nov 83 p 9]

BANGLADESH INFILTRATION--CALCUTTA, November 17--In the wake of persistent reports of unauthorised infiltration from Bangladesh into the bordering districts of West Bengal, various measures are in the offing to strengthen the BSF vigilance on the border. Some of the measures already implemented include putting up observation posts, aloft on platforms, at as many border outposts and preparations for a few more in the coming weeks and reinforcing the BSF guarding of the 2,000-km. border between West Bengal and Bangladesh by the induction of two new battalions and preparations for raising three more such battalions, to be operational by the end of next year. The state government had at one stage suggested the setting up of 54 more border outposts, manned by the BSF. Eighteen of these have become operational already and several more are likely to be set up as and when the new battalions are ready. [Text] [Bombay THE TIMES OF INDIA in English 18 Nov 83 p 1]

NEW HINDI DAILY--NEW DELHI, November 17 (UNI)--A new Hindi daily, "Janasatta", made its appearance in the capital today. Published by the "Express" group, it is the fifth major Hindi daily of Delhi. The new daily is edited by Mr. Prabhash Joshi. [Text] [Bombay THE TIMES OF INDIA in English 18 Nov 83 p 19]

TRADE WITH SWEDEN--NEW DELHI, Nov. 20--India and Sweden have decided to increase their bilateral trade more than two fold in the next two years. The Indo-Swedish joint business council at a meeting here felt that the two-way trade, now around \$110 millions (Rs. 110 crores) should be raised to a least \$20 millions by 1985-86, and India's share in Swedish imports should go up from the present 0.1 per cent to 0.5 per cent. The items identified as having a high potential for export from India to Sweden include textiles and made-ups, electric component parts and software, computer software, chemical products, handicrafts, marine products, sports goods, gems and jewellery, hand and small tools, bicycle parts and components and certain engineering products, processed foods, leather and leather goods, coir and coir products, tea, coffee and spices. The areas suitable for technology transfers have been identified as energy related equipment, metallurgical products and processes, oil seed technology, industrial explosives, chemicals, electrical equipment, high voltage transmission, electrical insulators, cutting tools, numerically controlled machines, machinery for the production of ball bearings, packaging machinery, sophisticated rolling mill equipment, hygienic and rust resistant steel machinery and equipment and air pollution control equipment. The Indian team to the meeting was led by Mr. Ashok Jain, president of the Federation of Indian Chambers of Commerce and Industry, and the Swedish delegation by Mr. Arne Westerberg, chairman of the Swedish section of the joint business council. [Text] [Madras THE HINDU in English 21 Nov 83 p 6]

INDO-FRG COAL ACCORD--PATNA, Nov 28--An agreement was signed at Ranchi by Coal India Limited chairman M S Gujral and German Coal Coordination Centre chairman A Jochums, for multi-point technical cooperation between India and the Federal Republic of Germany (FRG) in coal sector in India. Agreement which was reached after conclusion of three-day Indo-German symposium at the CMPDI at Ranchi, has far-reaching consequences to the future of coal mining industry and application of improved technology in coal mining in the country. Both Mr Gujral and Mr Jochums identified mines along two disturbed coalfields under the BCCL and Western Coalfields Limited. Among the coal-mining methods reached under the agreement were fast-ploughing technique at Ghamo-main mines reorganisation of Bhanara (WCL) improved process for coal beneficiation for power sector and steel sector, investigation for increasing the output per man-shift and productivity for four selected coal mines and application of mobile crushers with conveyor transport open-cast mines. [Text] [New Delhi PATRIOT in English 29 Nov 83 p 5]

INVESTMENT IN MALTA--The intensification and development of commercial relations between India and Malta was discussed in Delhi on Friday when Dr Trigona, Minister of Foreign Affairs and Culture of Malta called on Union Commerce Minister V P Singh, reports PTI. Both the Ministers agreed that the friendship between two countries should be expressed in furthering the trade and economic cooperation between their countries, according to a official press release. Regarding joint ventures, the Commerce Minister stated that the initial dreaction among Indian businessmen was favourable. Malta had already indicated the areas of collaboration and an Indian trade and industry delegation would be constituted shortly to visit Malta for exploring the possibilities of collaborations. Dr Trigona specifically invited Indian investment in a joint venture in a textile unit which was to be modernised. In this

Context, the Minister mentioned that Malta had privileged access to the EEC. Mr V P Singh told Dr Trigona that 19 representatives of the Association of Indian Motion Pictures Producers had shown interest in visiting Malta for assessing the facilities available there for producing motion pictures. Dr Trigona expressed great interest in the possibility of exploring investment in Malta, mainly in the engineering technology in leather. Dr Trigona stated that this could be a potential area of cooperation because of the Maltese access to the EEC and the GSP offered by the US. The Commerce Minister told Dr Trigona that he would convey his request regarding Indian ships availing of the dry-dock facilities Malta to the Shipping Minister. In 1982-83, India's exports to Malta were valued at Rs 30 lakhs while the imports were of the value of Rs 1318 lakhs. India's exports to Malta consist mainly of tea, manufactured metal products, textiles including apparels, leather, gems and jewellery sports goods and toys, while India's imports include ship-repairing facilities. [Text] [New Delhi PATRIOT in English 26 Nov 83 p 7]

FRIGATE FROM USSR--MOSCOW, Nov 24 (UNI)--India has received a new anti-submarine frigate from the USSR. The new frigate, christened 'INS Ranjeet', is considered to be one of the most modern anti-submarine additions to the Indian Navy. It was commissioned by Indian Ambassador S Nurul Hasan at a Sea Port on the Black Sea yesterday. A special function organised for the occasion, was attended by the ambassador and, senior officials from one Indian naval wing of one Indian mission in Moscow and Soviet naval authorities. The frigate is expected to reach India some time in December. It is the first to be delivered of the new missile frigates the Soviet Union agreed last year to supply India. The delivery has been speeded up after the talks Mr R Venkataraman, Defence Minister, had here last June. [Text] [New Delhi PATRIOT in English 25 Nov 83 p 5]

ROMANIAN AMBASSADOR'S CREDENTIALS--The new ambassador of the Socialist Republic of Romania, Mr N Finantu presented his credentials to President Zail Singh in Rashtrapati Bhavan on Saturday morning, reports PTI. Welcoming the ambassador the President underlined the similarity of approach between the two countries on major international issues and said "we have a common commitment to disarmament, the urgent task of halting the nuclear arms race and averting a global nuclear disaster". Earlier presenting the credential, Mr Finantu said his country was determined to work in close cooperation and understanding with the India to bring about a qualitative and quantitative change in the relationship between the two countries by widening commercial exchanges and economic cooperation. [Text] [New Delhi PATRIOT in English 20 Nov 83 p 7]

ENVOY TO PORTUGAL--Mr A N D Haksar, till recently Minister in the Indian Embassy in Washington, has been appointed India's Ambassador to Portugal, reports UNI. He replaces Mr S K Bhutani, who is being posted in the Ministry in Delhi. A career diplomat, Mr Haksar has been India's High Commissioner to Kenya and the Seychelles and was the official spokesman of the Ministry of External Affairs. [Text] [New Delhi PATRIOT in English 20 Nov 83 p 7]

CSO: 4600/1314

## AMAL CHIEF DISCUSSES GENEVA TALKS, IRANIAN PRESENCE IN LEBANON

Paris LE MANDE in French 2 Nov 83 p 3

[Article by J.M. Durand-Souffland: "We Are in No Way Concerned with That Negotiation"]

[text] "Even if we had been invited to participate, we would have refused to go to Geneva... There could be no question of our sitting beside those who are gathered to try to put American plans into action and impose Reagan's policy in our country. At any rate, this conference will produce no positive results. And even assuming that it might--which is quite improbable--come out with something, that could not concern us in any way since the majority, the Moslem people of Lebanon, will not be represented..."

This is Mr Hoseyn Musavi speaking. The head of Islamic Amal, the Shi'ite political-military splinter group which last year split off from the Amal movement controlled by Mr Nabih Berri, receives us in the villa at Baalbek, which has become the headquarters of a strong organization of several hundred militiamen who are apparently as resolute as they are well-armed.

To travel over the 120 kilometers which separate Baalbek from the Lebanese capital is, at least for the moment, more a matter of patience than a dangerous undertaking. In fact, we must have had to stop no less than 24 times in each direction, in order to satisfy, in most cases, the curiosity of the sullen-looking Syrian soldiers who control the road.

The first portraits of the Imam Khomeyni make their appearance on the walls of the suburbs of Zahle and become innumerable from the suburbs of Baalbek on. At the entrance to the city, near the Palestinian neighborhood of Jilil, on an imposing freshly-painted mural, there appear along with the inevitable old man with the white beard and the Dome Mosque of Jerusalem, the slogan: "We must eliminate Israel forever."

The pride of the Bique, once called Heliopolis, has really changed since the luxurious festival years. A banner floating across the street proclaims: "Death to America, to Israel, to the Phalangists and to Jumayyil!" Only the pedestal of Nasser's statue remains.

With his ascetic's face framed by a short black beard and the somber stare of a hypnotizer, elegant in his light gray suit, Mr Musavi has

decorated his office with portraits of Khomeyni, of Mussa Sadr (1), with a view of the Grand Mosque in Mecca and with pious calligraphies.

We question him concerning Islamic Amal's possible participation in the double attack of 23 October: "Everyone must know that we are in no way implicated in that matter. We do not even have to respond to the accusations which have been brought against us, so totally lacking in foundation are they. And we even ask the French and American people to demand from their respective governments the proof on which they have founded these pseudo-accusations... In this regard," he points out, "France has shown itself to be more logical than the United States by not bringing hasty accusations, while the Americans, with the cowboy mentality of their candidate for the presidential election, fell right into the trap."

He continues: "Paris and Washington must without hesitation withdraw their troops which the Moslems of Lebanon can no longer support. These attacks show that the Moslem community has decided to face up to things, as all Moslems have always done, from the moment that foreign forces occupy their land. Even if we, the people of Islamic Amal, do not have, I repeat, relations with those who committed these attacks, we are nevertheless on the side of those who defend themselves, whatever the means they have chosen to do it."

#### The 'Cultural' Role of the Iranians

Doesn't he fear that reprisals will take place against movements which are under suspicion, whether justified or not? "If something along those lines is tried," he answers, "let the United States know that they would thus be furnishing us with an excellent opportunity to fight them, and we would be very happy to do so!"

We then ask him exactly what role is played by the guardians of the revolution--about whose numbers he refuses to be more specific--who have come here from Iran to settle. "Everyone knows very well that our Iranian brothers have an essentially cultural and ideological role in Lebanon. But if circumstances required it, they would not be ashamed, quite the contrary, to make themselves useful for other purposes..." After a silence, Mr Musavi concludes: "In the near future, that is, after the defeat of the Baghdad regime, God willing, we will enter Jerusalem with our Iranian brothers, and we will remain there."

For the first time since the beginning of the interview, a smile, then a discreet laugh, light up this austere face: "And when Iraq is vanquished, we will recover the French Super-Etendards and we will consider them as a gift from Mr Mitterrand to the Moslem people, in the same way that the Iranian people inherited F-14's that America had given to the shah." The person we were speaking with, turning serious once more, gets up: "We are in God's party. It is a universal party which gathers together all of humanity's poor people. The disinherited people of France and America belong to it too..."

(1) Head of the Lebanese Shi'ite who disappeared in Libya in 1978.

## PRIME MINISTER ELABORATES ON RECENT VISIT TO DPRK

Tehran ETTALA'AT in Persian 28 Oct 83 p 3

[Text] Mr Mir Hoseyn Musavi the Prime Minister, who in the company of Col Salini the defense minister, and Mr Hashemi the minister of industries, and Aqazadeh the minister of state for executive affairs, had gone to North Korea for an official visit, returned to Tehran this morning and was met by Messrs. Velayati the foreign minister, Manafi the health minister, Ajehie the minister of state in charge of the Social Welfare Organization, Hassan Abedi-Ja'fari the minister of commerce, Asgari the justice minister, Sarhadizadeh the labor minister and Azizi the deputy foreign minister of our country. After arrival in Tehran, in an interview with IRNA's correspondent on the results and objectives of his trip to North Korea, Mr Musavi said: "Under war conditions, we have a special relationship with Korea, because they were one of the few countries that we could get some of our needs in arms and ammunitions from." He added: "In this trip we renewed past contracts, and we had positive results with regard to economic issues; and we prepared the ground for the continuation of common political and economic relations." He also added: "North Korea is a country that has suffered a lot in the war with imperialism, and it has a very independence seeking position." Mr Musavi, regarding the recent bombardment of some urban population centers by Saddam's regime, said: "From an emotional point of view this news has vast dimensions because a group of innocent and God-seeking people have been targeted by the evil greed of super criminals and we, for the sake of our independence-seeking movement, must welcome these difficulties; after victories in this war that has been forced on us by Iraq, and the widespread reactions in the world, it is natural for Saddam to seek revenge." He also said: "We do not expect anything else from Saddam, but the powers who have hidden their faces behind Saddam must know that their support of Saddam will only increase our people's hatred of them, and that they will be punished." The prime minister added: "Our nation knows well that the choice of these cities [for bombardment] was not possible without their permission, and when we are facing world wide difficulties in purchasing our bullets and ammunitions, everybody knows that MIG-25's and 9-meter missiles and Super-Etendards cannot be used except by the order of Saddam's criminal masters. We warn these powers and tell them not to tarnish their standing with us any further." In conclusion, the prime minister added: "We will continue fighting until final victory, because Saddam's days in the area are numbered; and in order to uproot aggression we will overthrow this regime."



## Mr Musavi's Talks With The Prime Minister Of North Korea

Pyongyang--Mr. Mir Hosein Musavi the prime minister, in his latest visit to North Korea, started the second round of talks with Yi Chong-ok the prime minister of North Korea. According to the report filed by IRNA's correspondent, in this meeting between the two countries' highest economic officials, issues of mutual interest and bilateral relations were discussed and views were exchanged. At the end of the meeting Mr Musavi invited the prime minister of North Korea to visit Tehran and Mr Yi Chong-ok welcomed the idea.

## The Prime Minister's Visit To North Korea's War Museum

Pyongyang--On the last day of his visit to North Korea the prime minister, Mr Mir Hoseyn Musavi, in the company of the defense minister Col Salimi and also the prime minister and other officials of Korea, visited the memorial to the Korean revolution. According to the report by IRNA, during the visit Mr Musavi, in paying tribute to the Korean people's uprising, emphasized the anti-imperialist struggles of the two nations of Iran and Korea. Then, the Iranian delegation visited the ornate War Museum of Korea which was decorated with artistic paintings and also war implements and enemy airplane and tank wrecks that were destroyed in the war between the two Koreas. Special techniques and fine artistic ideas were used to build this museum. It is a symbol of the Korean people's struggle against U.S. imperialism, and aroused the interest of our prime minister.

## Visit to Kim Il-song University

According to the report by the correspondent for Voice and Vision of the Islamic Republic of Iran, the day before yesterday, the prime minister Mr Mir Hosein Musavi, who as the head of the delegation that included three cabinet ministers, had travelled to the Democratic People's Republic of Korea, visited the Kim Il-song university. In this visit, Mr Musavi was accompanied by Mr Yi Chong-ok the prime minister of North Korea, and a report on the formation of the Korean people's struggle against imperialism was read to the prime minister. Then, the prime minister and company left for the city of Pyongyang and paid a visit to a plant for making railroad cars and engine parts; and the plant personnel provided them with the necessary information in each section. After that, the Iranian delegation visited the subway system of the city of Pyongyang.

The fourth site that was visited by the Iranian delegation was the Central Library and the School of Revolution of North Korea, where Mr Musavi and company inspected the library's and the school's various educational departments, and talked to the students and the professors.

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17 Jan 1983